FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Soviet fishing skipper accused

...n is to prosecute the ...r of a Soviet trawler on ...ounds that he was fishing ...the 12-mile limit off the ...of Scilly. The case will ...ard in Plymouth.

...llenged by the minesweeper ...Soberton last week-end the ...o trawler Dzukiya ...pted to get away, but the ...managed to board her and ...ade the skipper to put in ...British harbour.

...case comes at a time when ...'s fishing industry, par...ly West Country and North ...fleets, are concerned that ...s may be imperilled. Back

...ia hangs three ...nmen in public

...sands of Syrians, including ...ads of schoolchildren, ...rday viewed the bodies of ...guerillas hanged in public ...Damascus for their part in ...lay's battle at the Hotel ...iramis. In Beirut and else... ...e in Lebanon further heavy ...ing took place. Page 5 ...a's hard task, Page 18

...ain reasserts ...ght to Rock

...Gibraltar's 16,000 voters pre... ...d to go to the polls to-day, ...n repeated its claim to the ...k, demanding at the UN ...eral Assembly that Britain ...in immediate negotiations ...ed at handing the colony over ...Spanish control. More a ...erendum than an election, ...ge 4

...uards music ...irector accused

...ajor Peter Parkes, Director of ...sic of the Band of the Grena... ...r Guards, was accused at a ...elsea barracks, London, court... ...rtial yesterday of stealing the ...ceeds of 12 unauthorised per... ...mances by members of the ...d, totalling £2,202. He was ...accused of improperly and ...his personal financial benefit ...mitting 68 unauthorised per... ...mances and negligently fail... ...to maintain adequate control ...accounting of proceeds from ...sale of records, causing a loss ...the public of £3,745. Major ...kes has denied all 14 charges.

...torm blacks ...ut TV sets

...levision sets in a large area ...the south of England were ...cked out for 40 minutes last ...ht after an electrical storm ...power supplies to BBC and ...transmitters in the Isle of ...ght. It was the third con... ...utive night that a big storm ...swept the south. Much of ...ading, Berks. was blacked out ...seven minutes as the storm ...sed.

...rture claim

...tings, shooting threats and ...er tortures similar to those ...demned by the European ...urt of Human Rights were ...being carried out by British ...ops in Ulster. Left-wing ...bour MP Miss Joan Maynard ...imed at a Labour Party con... ...ence meeting last night. In ...ndonderry the 17-year-old son ...a leading member of the ...men's peace movement was ...and beaten unconscious with ...letters IRA scratched on his ...dy.

...ace law blow

...ne Government was defeated ...ree times in the Lords yester... ...y when the Lords agreed to ...cept amendments to the Race ...elations Bill moved by Lord ...ilsham. Page 12

...riefly...

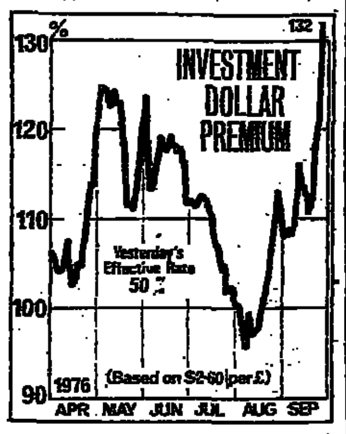
...orwegian Tall Ship Christine ...adich, has arrived in Falmouth ...ter being severely damaged in ...Biscay hurricane.

...n Old Bailey judge fined a ...uror £25 for being drunk and ...nfit for jury service.

BUSINESS

Equities gold and gilts lower

● EQUITIES declined. The FT 30-share index lost 4.3 to 344.6 while the All-Share was 0.6 per cent. lower at 143.05 and the Gold Index was 5.0 down at 115.3.



The Investment Dollar Premium rose to 132 per cent., an effective rate of 50 per cent.

● GILTS were generally a fraction easier at the close. The Government Securities index was 0.07 down at 60.27.

● GOLD lost $¾ to $118¾.

● STERLING lost 2.5c to $1.6810; its weighted depreciation widened to a record closing gap of 43.6 (42.7) per cent. The dollar's improved to 2.80 (2.82).

● WALL STREET rose 3.82 to 1,013.13 in moderate trading.

● U.S. TREASURY bill rates: threes 5.072 (5.028) per cent.; sixes 5.325 (5.236).

Leyland closes Triumph plant

● LEYLAND CARS closed its Triumph Coventry plant and laid off 2,300 workers after 80 local car delivery drivers decided to continue their five-week strike. Back Page

● MATHER AND PLATT Board is recommending acceptance of a £28m. takeover offer made by the Australian fire protection group, Wormald International. Back Page, News Analysis Page 7 and Lex

● DR. DICKSON MABON, Minister for Energy, will investigate whether BNOC can practicably raise development capital in the U.S. during his current American visit. Oil consortium consisting of Conoco, Gulf Oil and BNOC has invited tenders for a production platform and related facilities to develop the Murchison field in the North Sea. Back Page

● DISPERSAL COSTS of 11,000 Ministry of Defence civil servants to Cardiff and Glasgow are estimated at up to £201m.—more than four times previous unofficial estimates. Page 12

● WEST GERMAN steel orders have fallen back to the low point of last year's depression. Producers expect an increase in short-time working. Page 29. Capital investment in the German motor industry is unlikely because of weak overseas sales said the president of the industry's association. Page 6

COMPANIES

● JACQUES BOREL International second-quarter operating profit was Frs.3.76m. (£440,000) after Frs.5.8m. deductions for losses on the hotel side, compared with a loss of Frs.12.3m. in the first quarter. Page 28

● TARMAC first-half pre-tax profit rose to £9.23m. (£8.01m.) on increased turnover of £223.35m. (£189.77m.). Page 25 and Lex

● JOHN LAING first-half pre-tax profit rose to £8.15m. (£5.97m.). Page 25 and Lex

● FISONS first-half pre-tax profit rose to £10.32m. (£10.16m.). Page 25 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 14½pc '94 ...	£97	+ ½
Dianimes	167	+ 7
Hoechst	520	+ 20
Jovell's Ship. Tnsprt.	130	+ 30
Mather and Platt ...	109	+ 42
Philips' Lamp	954	+ 17
Smurfit (Jeff.)	114	+ 4
Walker (C. and W.)	108	+ 8
BP	625	+ 5
LASMO/SCOT	248	+ 10
Royal Dutch	£48½	+ 1½
Selcast	84	+ 7
Roan Cons.	155	+ 15
Sabina	90	+ 9

FALLS

Alpine Hldgs.	16½	− 2½
Brotherhood (Peter)	66	− 3
Fisons	275	− 15
Glaxo	327	− 8
Gt. Portland Estates	196	− 6
Land Secs.	136	− 4
Leslie and Godwin...	106	− 5
Lucas Inds.	179	− 4
Mothercare	168	− 4
Slater Walker Secs....	7½	− 1½
Stocklake	27½	− 5½
Tarmac	136	− 6
Turner and Newall...	143	− 6
Weyburn Eng.	300	− 10
Vickers	142	− 4
Cons. Gold Fields	139	− 8
Coronation	80	− 13
Falcon Mines	100	− 30
Globe and Phoenix ...	50	− 10
Gold Fields SA	900	− 50
Mangula	105	− 15
Messina	215	− 10
Rhodesian Crp.	20	− 5
St. Helena	850	− 100
Vaal Reefs	875	− 75
Wankie Colliery	48	− 6

Labour conference challenge

Left gains surprise victory in vote on public spending

BY RICHARD EVANS IN BLACKPOOL

Against the advice of the national executive, the Labour Party conference last night passed a resolution highly critical of one of the key elements in the Government's economic strategy—the proposed cuts in public expenditure.

The decision, taken on a show of hands, means that the way is open for Left-wingers on the executive to mount a sustained campaign against the cuts and to give support to local councils and trade unions which oppose their implementation.

Left-wingers were elated by the surprise victory, which might not have happened had a card vote been taken. Ministers were furious that the day was marred by such an unnecessary and potentially dangerous defeat.

The resolution was moved by Mr. Alan Fisher, general secretary of the National Union of Public Employees, who gave a warning that unless conference agreed to oppose public spending cuts resulting disillusionment could lead to destruction of the Labour Party at the next election.

If the confusion leads to anti-Government action within the executive, it will confirm the Prime Minister in his view that the executive is becoming increasingly unhelpful on policies Mr. Callaghan believes have the support of the overwhelming majority of Labour voters.

The Prime Minister is believed to be moving towards a position of by-passing the executive and instead favouring even closer contacts with the TUC in the development of Government policy.

The rest of the day must have been considered satisfactory by the Government with substantial, if at times reluctant, support for the social contract and for the policy of incomes restraint.

Mr. Callaghan clearly retained the support of trade union leaders for the counter-inflation policy and for continuing pay restraint, but a resolution was accepted overwhelmingly demanding that "a planned return to free collective bargaining should begin to take place in 1977."

A resolution on finance and investment was passed which included a proposal to discourage speculative investment overseas and in property by levying "a stringent penal tax" which would be channelled into "essential industry." But it was stressed later that Ministers have no intention of introducing such a tax in the foreseeable future.

The opening day of the conference, which was the most dangerous for the Government as the sensitive issues of employment, public spending and incomes policy had deliberately been taken together, showed the deep unease in the party over the Government's failure to make inroads into the high level of unemployment.

Speaker after speaker, led by Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, but including representatives from the moderate wing as well as the Left, gave notice that the Government must act quickly to reduce unemployment by adopting more socialist policies if the unity of the Labour movement was to be preserved.

The theme was taken up skillfully by Mr. Anthony Wedgwood Benn, Energy Secretary, who stressed that unless the party followed a more distinctive socialist line it would jeopardise its chances of winning the next election.

He blamed the low level of industrial investment on the failure of the capitalist system and emphasised that the party had paid a heavy price for "soft-pedalling" socialist policies over the last 20 years.

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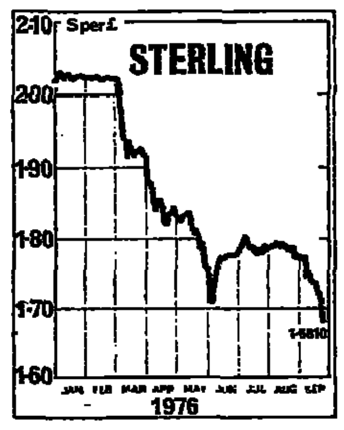
Pay talks

Talks with TUC leaders on **what is to replace the current pay policy after August 1 next year are expected to start soon after the conference ends, writes Christian Tyler.**

The Cabinet has already prepared the ground for these talks. The Government will insist that, whatever flexibility is granted, wage increases—especially where there is a productivity gain—must be a genuine reward for extra output.



Sterling falls to new low

BY MICHAEL BLANDEN

THE POUND slumped by another 2.5 cents in London yesterday to reach new record lows against the dollar and other currencies.

In the continued absence of any support from the Bank of England, sterling dropped through the psychological $1.70 level to end in London close to its lowest point at $1.6810.

Its effective depreciation against other currencies from December 1971 levels widened to a record 43.6 per cent., after reaching 43.7 per cent. at noon, against a closing average of 42.7 per cent. on Friday.

In New York, the pound closed at $1.6705.

In spite of week-end assurances by Mr. Denis Healey, Chancellor of the Exchequer, the market in London remained extremely nervous with continued commercial and speculative selling and no demand for the pound.

Dealers quoted a variety of reasons for the uncertainty, including worries over the future of the social contract and U.K. inflation in the wake of the seamen's settlement and the unsettling impact of the Labour Party Conference.

The continued weakness of sterling hit the gilt-edged market, where further rises had been expected after last week's strong demand.

The new long-dated stock which was oversubscribed at Friday's issue ended at a ½ point premium over its issue price of £96.5 per cent. But the authorities did not announce another issue, which the market had expected if conditions were favourable.

Since the Bank stopped sup-

Continued on Back Page

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Society To-day Page 23

£ in New York

—	Sept. 27	Previous
Spot	$1.6700-6710	$1.7005-7016
1 month	1.38-1.31 dis	1.35-1.28 dis
3 months	3.97-3.90	3.67-3.82 dis
12 months	13.48-13.38	13.48-13.38 dis

U.S. denial on Rhodesia peace plan

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Sept. 27.

THE U.S. State Department forcefully argued to-day that the five "front-line" African Presidents had not rejected at their Lusaka meeting the proposed Rhodesian settlement. But, under questioning, Mr. William Rogers, Under-secretary for Economic Affairs, said Mr. Ian Smith, the Rhodesian Prime Minister, did not give an accurate representation of the proposed agreement when he addressed the Rhodesian people last Friday.

Mr. Rogers, who was a member of the negotiating team of Dr. Henry Kissinger, Secretary of State, called a news conference to-day in response to reports which suggested that a settlement was in jeopardy. He said the African Presidents of Zambia, Tanzania, Botswana, Mozambique and Angola had accepted the essence, the basic sequence of events of the negotiations to prepare the way for majority rule in Rhodesia.

Mr. Rogers added that the U.S. had heard from one of the five Presidents during the past 24 hours that the proposed settlement had not been rejected and that the African leaders "were pleased we do not reject the Lusaka statement."

Questions

However, Mr. Rogers was not able to say with any confidence that Mr. Smith was prepared to attend a constitutional conference on the future of the country. Under intense questioning he said that Mr. Smith's broadcast on Friday was not an accurate representation of the agreement itself but rather an expression of the white Rhodesian negotiating position.

Mr. Smith had read out "the actual terms of the proposals put to me by Dr. Kissinger. "He implied that these had been acceded to by the major African leaders concerned, as a result of their consultations with Dr. Kissinger.

Mr. Smith's statement had said that the constitutional conference would be held in Rhodesia.

The State Department view, however, is that the site of the constitutional conference has to be determined, and so has the precise composition of the transitional government.

Quentin Peel adds: Leaders of the two principal factions of Rhodesia's divided African nationalists met to-day in the Zambian capital of Lusaka in talks apparently aimed at forming a united front.

The meeting included Mr. Robert Mugabe, secretary-general of the Zimbabwe African National Union, considered the nationalist politician with most influence over guerilla forces, and representatives of Mr. Joshua Nkomo's Zimbabwe African People's Union.

Mr. Smith said in Salisbury to-day that it was up to Britain and the U.S. to sort out African objections to the proposals for a two-year transfer to majority rule which he announced on Friday.

"It looks as though the Communists are calling the tune in these parts," he said. He added that he did not think the venue of a constitutional conference was important.

In Bulawayo to-day, Mr. Nkomo reaffirmed that the settlement proposals contained "serious flaws which would make the proposed interim government unworkable." But he added that he was satisfied with Mr. Smith's declared acceptance of majority rule.

Mr. Ted Rowlands, Minister responsible for African affairs, left London a day early to-day to attend independence celebrations in Botswana, clearly hoping to have talks with the African leaders also in Gaborone.

He wants to find out how and where Britain could convene a meeting of Rhodesian whites and blacks, aimed not only at establishing an interim government, but also at defining its structure and functions. The other key question—which could be resolved if the nationalist talks in Lusaka are successful—is who the participants should be.

Mr. Rowlands is being accompanied on his trip by Sir Anthony Duff, Under-secretary for African Affairs at the Foreign Office.

Our Lusaka Correspondent writes: Mr. Mugabe, the effective leader of the ZANU faction, said ZANU and ZAPU were working towards establishing a united military force in order to intensify the armed struggle against the Smith regime. The first round of talks towards uniting his cadres and those of ZAPU, has taken place in Dar-es-Salaam and were expected to continue in Lusaka.

Mr. Mugabe said that the Rev. Ndabaningi Sithole had ceased to be president of ZANU a long time ago.

He also described the African National Council led by Bishop Abel Muzorewa, as toothless because it had no army, adding: "The armed struggle was better off without the ANC. We feel the ANC is a body without a purpose."

Other developments Page 5
House of Lords Page 12

CBI and TUC seek joint policy on import curbs

BY ROY HODSON

A COMMON policy on import controls that can be put to the Government as the united view of British industry is being sought by the Confederation of British Industry and the Trades Union Congress.

The urgency being attached to the project by both sides can be gauged from the time-table of progress so far.

The whole question of the need to protect British industry from cheap foreign manufacture became a talking point when leaders of the CBI and the TUC met last week for one of their routine dinners. It was decided then to explore what common ground existed.

By the week-end, the TUC economic department and the CBI overseas trade directorate had exchanged working papers setting out the basic positions of the two organisations regarding import controls.

An analysis is now being carried out with both sides hoping that it will prove possible for British industry to make a joint representation to the Government in the form of a memorandum.

Great urgency is being attached to this planned intervention in Government policy-making. "If we can manage to do it, it will be within days not weeks," a CBI official said last night.

The CBI has consistently been opposed to general import controls and has not officially shifted from that basic position. But a new degree of flexibility seems to be entering into its thinking.

It is being pointed out within the CBI that the organisation has several times argued cases for import curbs in exceptional cases where home industries were being damaged by inflows of foreign goods.

One case quoted is the CBI's intervention on behalf of the British ball-bearing industry. The CBI has also been closely involved for many years in the British textile industry's running fight to secure protection against low-cost foreign competition.

The unions take a stronger line and want the Government to bring in import controls across a wide range of goods.

The TUC has already welcomed the Government decision to restrict the import of monochrome TV tubes from Taiwan.

Dumping probe

The Department of Trade is to investigate allegations that men's and boys' suits and men's leather sandals from East Europe are being dumped in Britain. But the textiles industry is angry because the Government has refused to impose a temporary duty on the suit imports during the investigation. Back Page

Slater 'in debt for nearly £1m.'

BY KEITH LEWIS, CITY STAFF

MR. JIM SLATER, founder and former chairman of Slater Walker Securities, admitted last night that he was personally in debt to the tune of almost £1m.

Giving his first interview since he resigned from Slater Walker in October, 1975, Mr. Slater, whose management of the group came in for severe criticism in a recently-published report prepared by City accountants Peat Marwick Mitchell and Price Waterhouse, said in a BBC television interview that he would have been better off sticking to making things instead of money.

Mr. Slater, who faces possible extradition to Singapore with four former colleagues to face a total of 75 criminal charges and has had 15 summonses issued against him in the U.K. under the Companies Act, claimed he would not get a fair trial in Singapore because of local feelings of hostility towards him.

He had known nothing of the possible extradition proceedings until he read about them in the Press last Thursday. Although he had no details of the charges, his conscience was 100 per cent. clear.

Mr. Slater also answered questions regarding Spydar Securities, the Hong Kong-based private company.

On the Spydar deals, he admitted that the local administration of the share deals had been badly handled. Looking back over his career, everything in the past had been done properly and with legal advice. At the time many of his seemingly unethical deals had been done, they were perfectly acceptable in the City he said.

His immediate priorities were to fight off the attack from the Singapore Government and pay off his creditors. This could take five years.

Asked what he felt about the Slater Walker Security shareholders, Mr. Slater said he was deeply sorry. Had he known things were going to go wrong he would have clearly sold his own shares in advance. He was insolvent rather than bankrupt and his creditors were taking a tolerant view, he added.

Given time and the help of friends, there was a prospect of paying all his debts off.

Interview with Sir James Goldsmith, Page 27

For latest Share Index 'phone 01-246 8026

What Comecon has to offer

BY DAVID LASCELLES

ACCORDING to the Moscow Narodny Bank, only 9 per cent. of world trade is between communists and non-communists. And this proportion has scarcely changed in 15 years despite those giant lorry deals and Soviet grain imports. Perhaps this is as it should be. Few communist economies look dynamic to the West. They use non-convertible currencies; and the bureaucratic obstacles are formidable.

Rightly or not, most of the news on East West trade these days is bad. There are complaints about East Europeans dumping cars, suits, shoes, alarm clocks, light bulbs and shipping rates. The communists' growing hard currency debt is worrying western bankers. And East-West trade is always vulnerable to political pressures; the Jackson amendment curbing U.S. trade with the Soviet bloc is still in force.

So it is not surprising that some of those long engaged in East-West trade feel somewhat jaded. As for those who have never dealt with East Europe at all, it has tended to reinforce their belief that Comecon is a market that should be given a miss. But are they right? In my experience, those who turn their backs on East Europe do so out of sheer ignorance.

They look on East Europe as a strange place where statistics mean nothing, where capitalists are mistrusted, whose customs they do not comprehend.

I am not necessarily arguing that businessmen will miss golden opportunities unless they catch the next plane to Warsaw. But it is obviously wrong that ignorance or lack of interest, or both, should cause them to miss out on potential markets. A few bald facts, I think, might help.

By contrast

The seven European members of Comecon account for 8 per cent. of the world population. According to the World Bank, they are responsible for 13 per cent. of the world's total production. By their own estimate their share of world industrial output is one third. And UN figures show they account for some 10 per cent. of world trade, including their trade among themselves.

By contrast, OECD countries account for 57 per cent. of world production and 63 per cent. of world trade. Given that all the Comecon countries rate as industrialised, these figures show a clear imbalance between the size of their production and the amount of trade they do with the outside world.

This can partly be explained by their quest for strong economic and political interdependence. But they would be the first to agree that they should trade more with the West. They want to import western equipment and technology, and find new markets for their growing industrial production. The reason they do not, they say, is the fault of the West: its disinterest, its political scruples, and its failure to buy more Comecon goods to balance exchanges.

So the communists clearly have the will and the need to expand trade with the West. In fact, relatively they are already ahead of the West. The EEC countries (which have roughly the same population as Comecon) account for 25 per cent. of Comecon's foreign trade. But Comecon accounts for only 5 per cent. of the EEC's foreign trade.

But what are the prospects? The new 1976-80 Five Year Plans, which are widely viewed in the West as realistic, show that Comecon is planning overall growth of 5-6 per cent. a year. Industrial growth is projected to be 6-7 per cent. a year, a high figure given that growth in centrally planned economies is steadier than in the West.

Differently

The growth in investment is expected to be 7-8 per cent. a year, more in some countries, less in others. By converting investment figures at the most realistic exchange rates planned annual spending for the whole grouping comes out at the equivalent of $250bn.

Past experience shows that between 8 and 10 per cent. of Comecon investment is spent in the West. So it is possible to say as a rough guide that Comecon plans to import some $20bn. to $25bn. worth of western goods a year. For comparison, it imported $8bn. worth in 1970 and $25bn. worth in 1975, (which was exceptional because of Soviet grain purchases and bunched deliveries).

True, there are problems. Comecon is going through a difficult patch because of its inefficiency and the world recession. And, as the Moscow Narodny figures showed, its hard currency deficit is widening (through its repayment record remains first class). But the fact that they "do things differently over there" should not be allowed to obscure what these investment plans mean in terms of business opportunities, nor the East Europeans' urgent desire for more trade.

RACING — BY DOMINIC WIGAN

Claironcita set simple task at Nottingham today

FULKE Johnson Houghton has done an extremely skilful job in the placing of his Don Carlos filly, *Claironcita*, and he appears to have found another relatively simple task for her at Nottingham to-day.

The Blewbury three-year-old bids for her fifth consecutive victory in the 1¼-mile Bentinck Stakes (4.30), which is confined to three- and four-year-olds who before August 25 have not won a race.

Claironcita who opened her account with an eight-length Windsor success three days after that date, has since not been hard-pressed to follow up on the same course, and at Goodwood and Lingfield. In her most recent race, the Upham Stakes over to-day's trip at Lingfield, Claironcita found no difficulty in disposing of Doubly Hopeful, to whom she was giving 5 lb, with the remainder well strung out.

That was a praiseworthy effort by this good-looking filly, and a reproduction of the form should see her defeating the once-raced Social Contract (fourth behind Doubly Hopeful at Yarmouth) in clear-cut fashion.

GOODWOOD	
2.00	Kilavea*
2.30	Man in the Moon
3.00	Ground Work
3.30	Keelhaul
4.00	Just Revenge
4.30	Good Fellow
NOTTINGHAM	
3.00	Mrs. Walmsley
4.00	Ribo Pride***
4.30	Claironcita**
SEDGFIELD	
3.45	Kinlavie
4.15	Scorton Boy

Willie Carson, who rides Claironcita, could also be on the mark half an hour earlier, when partnering her stablemate, Lord Leverhulme's *Ribo Pride*, in the Welbeck Handicap (4.0).

This bay filly by Ribero out of Pride of India, a half-sister to that high-class stayer of a few years ago, Raise You Ten, put up her best performance since early summer when outpointing some poor opponents in an amateur riders' event at Leicester last week. Although to-day's opposition is probably tougher, I think she will again prove up to her task.

While Willie Carson is trying to pile up the winners at Nottingham in an endeavour to regain the jockeys' championship he lost in 1974, Pat Eddery will be in action at Goodwood. The Seven Barrows stable jockey could well score on *Just Revenge* in the Simonsdean Handicap (4.0), but the riding honours will probably fall to Joe Mercer, for whom both *Man in the Moon* (2.30) and *Ground Work* (3.0) should oblige.

● The Tote guarantees a gross minimum pool of £3,000 at Goodwood to-day.

SALEROOM — BY ANTONY THORNCROFT

Victorian pictures in demand

CHRISTIE'S began the 1976-77 saleroom season at its King Street rooms with a routine, not to say boring, auction of Oriental ceramics. Demand was quite good apart from the prize item, a Canton famille rose part dinner service, where the bidding stopped just short of the £3,500 lower estimate.

A pair of K'ang Hsi famille verte rectangular baluster vases almost doubled their forecast, at £780, while a London dealer, A. and F. Gordon, paid £650 for a pair of 18th century blue and white seated figures of Lohan. All told, the auction made £36,223.

Phillips held its best auction of 19th century pictures for at least a year, with overseas buyers especially prominent. The sale totalled £80,330, with only 3 per cent. unsold, a good result for a picture auction. Victorian paintings in the £1,000-£3,000 range were in good demand.

Ericson, a private collector, paid £4,000 for a painting by William Huggins, of Bengal tigers in a jungle, while Trio gave £3,200 for a view of Dutch fishing boats by Edward William Cooke. A picture by George Innes of an Italian Viaduct sold to Rowlands for £2,200.

One of the best pictures by the 19th-century French artist Jean François Millet comes up for auction at Sotheby Parke Bernet in New York on October 15. Entitled "Un Paysan Greffant un Arbre," it was a highlight of the recent exhibition of Millet's work at the Hayward Gallery, London. The painting, representing man's attempt to cut away the old and graft on the new, is likely to fetch near or above the Millet auction record of $80,000.

At Sotheby's, a successful ikon sale totalled £72,535. A German dealer, Retmann, paid £2,800 for an early Russian ikon, c. 1600, from the Northern School, depicting St. Simeon the Stylite. An 1800 Palekh School ikon sold for £2,050 and three more ikons, one from the Palekh School and two produced around c. 1600, all sold for £1,500 each.

FILM AND VIDEO — BY JOHN CHITTOCK

A marriage is being arranged

Last week was a busy time for those in the moving picture business. The International Broadcasting Convention in London explored the latest in technical developments; ITV celebrated its 21st anniversary; BBC celebrated 40 years of television (although regular programmes did not start until November 1936), sponsored film producers from all corners of the world gathered in London, and the VIDCOM and Video 76 week, where all aspects of video were scrutinised, started in Cannes. This week, London is also the venue for the 17th International Industrial Film Festival, organised by the Council of European Industrial Federations.

Although this convergence of activity is mostly coincidental, it demonstrates the trend for film and television to move closer together, with greater interchange of both technology and application. On the purely technical level, film systems are frequently integrating with television, while the TV camera itself is striving to perform more and more like a film camera. With films now often being distributed by electronic means—via broadcast television itself, CCTV videocassettes and even by large screen TV projection—it now seems only a matter of time before the marriage will take place.

One of the most important developments, a great topic for discussion at the International Broadcasting Convention last week, is the cryptically-named ENG technique. This is the acronym for Electronic News Gathering, which is the broadcasters' attempt to replace the film camera with the TV camera for location work.

Colour television cameras of broadcasting standard are large, expensive and heavy—and when used outside the studio they require elaborate services to relay the electronic pictures back to the central transmitter. ENG embraces the design of small and portable TV cameras—light enough to be hand-held—and a range of equally portable relay equipment which removes dependence on the close proximity of a mobile broadcasting van.

Very small microwave equipment has now been developed that can be set up close to the area of a TV cameraman's operations—relaying the pictures as far as four miles to a point where more substantial relays can hook the signals into a main transmitter. Thus TV cameramen can now operate with hand-held cameras in streets, at public meetings and other crowded locations where once a pantechnicon of equipment and technicians had to be carefully installed beforehand.

Until recently, the broadcasters have therefore used film cameras almost exclusively in such situations, particularly for news coverage when speed of planning and maximum mobility are vital. But film is an expensive material, it takes time to process and edit, and when ready for TV transmission it still requires electronic processing to make its image characteristics suitable for television.

Taken apart

In an ideal world, broadcasters would never use film. It is rather like using methane gas to drive a petrol engine. The photo-chemical nature of the film process means that once it is exposed and developed, there is not a great deal than can be done to change the image quality. But a TV image can be almost literally taken apart, passed through a computer, and emerge better for the experience. The remarkable Mars pictures were processed in this way, improving definition and cleaning up "noise" (the video equivalent of photographic fogging).

For all the lingering advantages that film can offer, improvements in television recording are such nowadays that even the film producers are finding some benefits in using TV recording and then transferring it to film. A number of feature films for cinema release have now been made on videotape with television cameras—and a wide variety of commercial services exist for subsequently transferring the tape on to conventional 16 mm. or 35 mm. film.

The use of television in this way can offer the film producer various advantages. During shooting in a studio, where expensive resources are tied up, videotape recording can be played back instantly without the usual overnight wait for film "rushes." This offers the director an instant check on creative results and can mean releasing some expensive facilities, performers and technicians a day earlier.

It is also possible to manipulate television images extensively without loss of quality, allowing many special effects. On film, although the same effects may be attainable, a penalty is usually paid in terms of laboratory processing, significant costs and some uncertainty about the quality of the result.

However, television images transferred to film and projected in a conventional cinema do not match up to the high quality of pictures originally shot on film. For some subjects, the differences are too little to matter; but for the production of another picture masterpiece like *Death in Venice* or *Lawrence of Arabia* the differences assure a continuing place for the film camera.

Those whose livelihood depends on the survival of the film camera, however, cannot afford to be complacent about the situation. The emergence of ENG is already affecting the demand for raw film stock and maybe will soon depress the need for replacement film cameras when the present ones wear out.

It will probably be a very long time before television recording can match 35 mm film for quality on a large cinema screen, but digital television techniques—as used in aerospace TV—may well change all that. The only advantage that film may then have left to cling to is the ease with which it can be edited. Nevertheless, the next 25 years could see the total demise of film for all professional purposes.

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.00 You and Me. 2.30 For Schools, Colleges. 3.25 Fo a Fe. 3.53 Regional News (except London). 3.55 Play School. 4.20 Huckleberry Hound. 4.25 Jackanory. 4.40 Animal Magic. 5.00 John Craven's Newsround. 5.10 The Great Grape Ape. 5.20 Bailey's Comets. 5.35 Noah and Nelly in Skylark.

5.40 News
5.55 Nationwide
6.45 "Challenge to Lassie"
8.00 The Dick Emery Show
8.30 Mastermind
9.00 News
9.25 Play for To-day
10.35 To-night
11.15 The Sky at Night
11.50 Weather/Regional News

All Regions as BBC-1 except at the following times:

WALES—5.55 p.m. Wales To-day. 6.45 Heddiw. 7.10 Campus! 7.35-8.00 To-morrow's World. 11.50 News and Weather for Wales.

SCOTLAND—5.55-6.45 p.m. Reporting Scotland. 11.50 News and Weather for Scotland.

NORTHERN IRELAND — 3.53-3.55 p.m. Northern Ireland News. 5.55-6.45 Scene Around Six. 8.30-9.00 Spotlight on what matters to people in Northern Ireland. 10.55 Mastermind. 11.25 European Soccer: Crusaders v. Liverpool (highlights). 12.10 a.m. News and Weather for Northern Ireland.

ENGLAND—5.55-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University
9.30 Labour Party Conference
11.00 Play School
11.25 Labour Party Conference
5.00 p.m. Open University
7.05 Happy Return
7.29 Weather
7.30 Newsday
8.15 Floodlit Rugby League
9.00 The Goodies
9.25 The Water Margin
10.10 Summer of '76
11.00 Late News on 2
11.10 The Old Grey Whistle Test

LONDON

9.30 a.m. For Schools. 10.41 Labour Party Conference. 11.05 For Schools. 12.00 King Wilbur III. 12.10 p.m. Rainbow. 12.30 Which Craft? 1.00 News plus weather, FT index. 1.20 Lunchtime To-day. 1.30 The Cedar Tree. 2.00 Labour Party Conference. 3.20 Looks Familiar. 3.50 Emmerdale Farm. 4.20 The Arrows. 4.45 Magpie. 5.15 Out of Town.

5.45 News
6.00 To-day
6.35 Crossroads
7.00 Jennie — Lady Randolph Churchill
8.00 Cilla's World of Comedy
8.30 Spring and Autumn
9.00 Dickens of London
10.00 News
10.30 Tuesday Thriller: "Corruption" starring Peter Cushing
12.10 a.m. Baker's Half Dozen
12.30 Close: Roger McGough reads one of his poems.

All ITV Regions as London except at the following times:

ANGLIA
1.25 p.m. Anglia News. 5.15 The Muppet Show. 6.00 About Anglia. 7.00 Survival Special. 10.30 British Matchplay Darts Championship. 11.00 The Protectors. 11.30 Angling Today. 12.00 The Food of Love. 12.30 a.m. Anthology.

ATV MIDLANDS
1.20 p.m. ATV Newsdesk. 5.15 ATV Today (part I). 6.00 ATV Today (part II). 7.00 The Magician. 10.30 The Tuesday Movie: "Take a Girl Like You," starring Hayley Mills and Oliver Reed.

BORDER
†1.20 p.m. Border News. 2.00 Houseparty. 5.15 Out of Town. 6.00 Border News and Lookaround. 7.00 Emergency. 11.35 The Baron. †12.30 a.m. Border News Summary.

CHANNEL
†1.20 p.m. Channel Lunchtime News and What's On Where. 5.15 Return to the Planet of the Apes. †6.00 Report at Six. 7.00 Combat. 10.30 Feature Film: "Rio Conchos." †12.25 a.m. Commentaires et Previsions Meteorologiques.

GRAMPIAN
1.20 p.m. Grampian News Headlines. 5.15 Breaktime. 6.00 Grampian Today. 6.10 Country Focus. 7.00 The Magician. 10.30 Marc Ellington—Concert Edition. 11.00 The World of Jason King. 11.55 Evening Prayers.

GRANADA
†1.20 p.m. House of Treasures. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.35 The Tuesday Movie: "Murder Once Removed." 10.30 Shaft. 11.50 The Nature of Things.

HTV
1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.17 Report Wales. 6.35 Mr. and Mrs. 7.05 The Tuesday Mystery Movie: McMillan and Wife. 10.30 Police Story. 11.30 Phyllis.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wstibethna. 6.00-6.17 Y Dydd. 10.30 America—Y Baradwys Bell. 11.15-11.30 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.17-6.35 Report West.

SCOTTISH
†1.25 p.m. Road and Weather Report. 5.15 Kiri. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Write to Isabel. 6.40 TV Movie: "Man at the Crossroads," starring George Kennedy. 10.30 Between the Lines. 11.00 Late Call. 11.05 The Streets of San Francisco.

SOUTHERN
1.20 p.m. Southern News. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emergency. 10.30 "The Dunwich Horror," starring Dean Stockwell. 12.10 a.m. Southern News Extra.

TYNE TEES
9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 5.15 Batman. 6.00 Northern Life. 7.00 Emergency. 10.30 The Tuesday Film: "Vanished," starring Richard Widmark. 12.15 a.m. Epilogue.

ULSTER
1.20 p.m. Ulster News Headlines followed by Lunchtime. 3.40 Ulster News Headlines. 5.15 Breaktime. 6.00 UTV Reports. 7.00 The Big Valley. 10.30 Streets of San Francisco. 11.30 Furnishing on a Shoestring.

WESTWARD
12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Return to the Planet of the Apes. 6.00 Westward Diary. 7.00 Combat. 10.30 Westward Late News. 10.33 Feature Film: "Rio Conchos," starring Richard Boone. 12.25 a.m. Faith for Life.

YORKSHIRE
1.20 p.m. Calendar News. 5.15 Lassie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emergency! 10.30 "Vanished" starring Richard Widmark.

RADIO 1 — 247m
(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.03 Tony Blackburn. 12.00 Paul Burnett. New Top 30 discs, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF
6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.33 Pete Murray's Open House (S) including 10.33 Waggoners' Walk. 11.33 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Hear The Record. 7.30 Robin Richmond (S). 8.02 Ranting 'n' Roll. 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 Les Reed and his Musical World (S). 11.02 Michael Meech with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF
‡ Medium Wave only

‡6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Chopin. 9.50 Youth Orchestras of the World (S). 11.10 Garth Beckett and Boyd McDonald piano duet recital (S). 12.15 p.m. Cardiff Mid-day Prom, part 1: Weber, Saint-Saens. 1.00 News. 1.05 The Arts Worldwide. 1.20 Mid-day Prom, part 2: Dvorak, Sibelius. 2.15 Mozart, chamber music concert. 2.45 Music in Our Time (S). 4.00 James Campbell and John York Clarinet and piano recital (S). 5.15 Jazz To-day (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Work And Training. 7.30 Abbado, Pollini and the Vienna Philharmonic, part 1: Brahms (S). 8.20 The Novelist's Voice (talk by Brian Moore). 8.40 Concert, part 2: Brahms (S). 9.30 Birth of an Opera: "Peter Grimes." An investigation with excerpts from the opera (S). 11.05 Haydn Quartet (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4
434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 7.00 News and more of To-day including 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day including 8.25 (VHF) Regional News. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way. 11.45 In And Out Of Tune. 12.00 News. 12.02 p.m. You And Yours. 12.27 Forces' Chance. 12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 John Caldicate. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Stentor and Son. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Abbado, Pollini and the Vienna Philharmonic (S) (as Radio 3). 8.20 The Novelist's Voice (as Radio 3). 8.40 Concert (S) part 2 (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book At Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

For Schools (VHF only) 9.10-12 noon and 2.00-3.00 p.m.

BBC Radio London
6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 News Extra. 9.20 John Toogood with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. David Simmons with Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including 4.50 and 5.50 London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00 Closedown—As Radio 2.

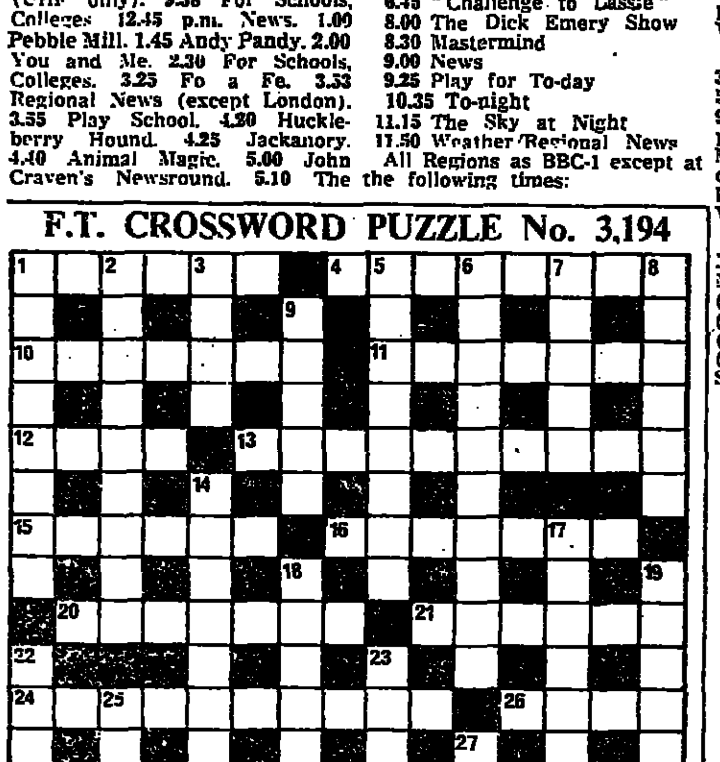
London Broadcasting
261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour through the night.

Capital Radio
194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,194



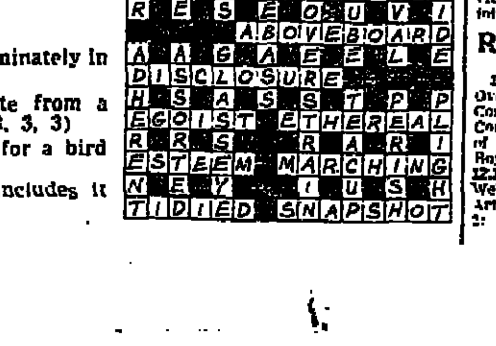
ACROSS

1 What the reckless motorist does to reduce evil (4, 2)
4 Perfection in the business about one (3, 5)
10 We find the Constellation is tedious (7)
11 Permanent as tea in grass (7)
12 Concert at the seaside (4)
13 Healthy sapper on the search makes a proper demand (3, 7)
15 Put back an insolvent sailor (6)
16 Acts with dash though not dressed for the part (7)
20 A small case of agreement (7)
21 Exerts influence with old Bob in a London suburb (4, 2)
24 They form a team seen in pantomime (10)
26 The dweller here needed advice on family planning (4)
28 Russian fellow turns from Pole to Pole to find the darkie (7)
29 To wise men a negative line of defence (7)
30 The bachelor finishes with divers diseases (3, 5)
31 Stopped facility in the diplomatic corps (6)

DOWN

1 Cape worn indiscriminately in India (8)
2 Afternoon tête-à-tête from a musical number (3, 3, 3)
3 One gets a repeat for a bird (4)
5 Gaiety—the term includes it (8)
6 Consecutively a sound get up for Liberace (2, 8)
7 Banishment for one Liberal in the river (5)
8 The ambassador has to follow up in the shelter (6)
9 Always on the go in a prison (5)
14 "So thick a — hath quenched their orbs" (Milton) (4, 6)
17 A salute to employees to express allegiance (4, 5)
18 "So let her think opinions are —" (Yeats) (8)
19 Even dirt can be turned upside down (8)
22 The isle suits the earl to a T (6)
23 Opposition from the Yemen (5)
25 The rascal sees gravity in a dissolute person (5)
27 The monster therefore gets up (4)

Solution to Puzzle No. 3,193



هكذا من الأصل

aubühne, West Berlin

Die Wupper

by RONALD HOLLOWAY

rediscovery of the -dramatist Else Lasker-r's *Die Wupper* for Ger- tages has something to do the "centenary" exhibi- and tributes to a major talent in modern litera- perhaps the greatest since ch Heine. In 1932 she warded the Kleist Prize e timeless quality in her "that live up to the stan- of the greatest German s"; shortly thereafter she ot permitted as a Jewess to blished in Nazi Germany. emigration followed to and then to Jerusalem— she died in poverty in

ter-Schüler belongs to the tion that produced Franz and Ernst Toller, whose gs are stamped by the deli- search of Jewish intellec- for self-emancipation. is a melancholy that per- her poetry, a spirit of ness giving way gradually ysticism and pained irra- ity. Her pessimism was ned by a sheltered child- and an early marriage that in divorce, the conse- es of which forced a t into the self where y and fantasy were often inguishable.

fate is emblematic too of ewish "feeling of aliena- that arose in the late 19th ry as intellectuals and busi- ien (she was the daughter banker and architect and randdaughter of a rabbi) held public office in Ger-

Wupper, written in Ber- n 1909 as Else Lasker- er took up writing isly, is said to have been leted on a single, muggy st evening. It appeared first book and, 10 years later, in x Reinhardt production at Deutsches Theater, to criti- cclaim.

w, in 1976, the play has won nition again in Wuppertal, ch, Darmstadt and West n on the 100th anniversary r falsified birthday.

Schaubühne am Halles- Ufer production departs the reported poetic, sy-laden approaches else- e to wrestle with the ghosts permeate Lasker-Schüler's short stories, plays, lyrics, and graphic art as a whole. This is a purgatorial exorcism, a longing for the safety and comforts of childhood as age requires new decisions to be made—in short, a fleeing from reality. It is a memory play about a provincial industrial city, about the sensitivity of youth and the years of crisis, about growing up (somewhat like Eugene O'Neill's *Ah, Wilderness*) in the house of a rich merchant in Elberfeld on the Wupper, a suburb of Wuppertal, in the 1880's.

The Wupper is a dyed river of industrial waste, one of the many symbols that dominate the play from start to finish, and director Luc Bondy assembles his actors around a rusty puddle on a large stage set below eye-level of the audience. Across this tarnished landscape wander old and young, workers and tramps, and the three Sonntag children, the main characters who pursue dreams and illusions in the household of a factory owner. The milieu is defined in detail in a series of immense sets that take the participant from the factory area to the garden of the industrialist's home to its spacious interior, and after a momentous *Umbau* at *the pause to a fairground with* carousel and back again to the factory area.

The tic for realism has hardly ever been so religiously observed, nor so fully embraced, by a set designer: Karl-Ernst Herrmann's hanging tree, covering half the stage's space in the second act, will be long remembered in the annals of modern German stagecraft.

Among all these good intentions the play was lost. The Schaubühne Ensemble paraded tried and worn figures from past plays without determining a focal line-of-approach that realist productions so often demand to make them convincing. The use of actors all the same age (save for one or two conspicuous exceptions) to play adolescents or old-timers is as embarrassing as it is distracting: I squirmed with the same distraut despair as when I first saw Mary Pickford (approaching 30) in *Pollyanna*.

zabeth Hall

Michelangelo Suite

w that we would, if he were alive, be celebrating his 70th day, the music of Shosta- ch must be flowering all over place. One of his last works, *Suite on Poems of Michel- lo Buonarroti* for bass voice piano (op.145), was given first London performance last t by John Shirley-Quirk and dimir Ashkenazy (the orches- l version of the songs is due Liverpool in the near future). this occasion the Suite was red with Schubert's *Schwanen- ang* — the result was a very erior recital of almost un- eved gloom.

here are eleven songs, includ- eight sonnets, a madrigal, the Strozzi-Michelangelo, ogue on the sculptor's Night. say that the Suite is Mussorg- n may suggest a tinge of the manner of" which was at all in evidence last night. ertain Mussorgskian flavour he vocal line probably comes n faithfulness to Russian ody as much as anything It seems at a first hearing Shostakovich has hardly ned Mussorgsky's harmonic bulary any further—but he say all he wants (and that great deal) without needing o so.

he music is mostly very bare, much use of plain octaves (for example at the very inning) bleak two-part ing. With a style so reduced essentials, contrasts are bly striking whether they of tempo, vocal line or piano ing—these are low-keyed rasts pla•d with unerring l. Small things like the light i-quaver runs in "Love," the arred chanting of the adrigal," the subdued yet eful piano fanfares of unte" (No. 6), the jagged rations of "Creativity" net on the death of Vittoria onna) impinge at once with- disturbing; the general mood xalted stoicism.

ot everything is stark. eativity" is followed by the ight" dialogue, a lovely piece which long vocal phrases are pped in an accompaniment broken and still bare but ooth, gentle quaver figures. re are gleams of major ality like soft bronze. Most raordinary of all is the last g—the two-stanza "Immor- ty." "I am not dead Though ied in the earth: I live in . . . Since friend is reflected riend. . ." It begins with one Shostakovich's perky, celesta- e tunes, drained of all impu- ce, innocent as a musical , with changes of metre to d it spinning quietly along il the voice closes softly and piano fades gradually away h repeated, staccato major ds on F sharp.

ast night's performance was g in Russian, with which Mr. rley-Quirk seems quite at ne, but one must hope for an glish singing-translation to e this big and valuable work ater currency. The pro- mme included an English ver- n made, from the Russian but with reference to the original Italian (Shostakovich apparently set a translation at two removes —Russian via German), by Sarah White and Eric Walter White. It reads so well that one can't help hoping that it could somehow be made to fit to the notes.

The impression made by the Shostakovich songs carried over into *Schwanengesang*. It wasn't really good programme building —a distinguished performance with noble, *sensitive* but occasionally felty toned singing and admirable piano playing (in "Abschied," "Der Atlas" and "Die Stadt," especially) almost slipped by because one needed something much more different in mood and style. At least the coupling proved that in the por*trayal of infinite sadness* Shostakovich is the peer of Schubert.

RONALD CRICHTON

Morley Gallery

Norwegian romantic landscapes

by WILLIAM PACKER

Gerhard Munthe: 'From Elverum'

The odd corners of art history are always worth investigation, even if nothing much turns up in them, which happily seems to be a chance less likely to occur than we might suppose. For Fashion, never the most conscientious though the most intimidating of house-keepers, will sweep most things out of sight, given the opportunity, and re-arrange *the dust over them from time to* time, as likely to consign the very best of things to oblivion as not. The jewels are inclined to remain in this happy state the shorter time, or so we like to think, catching the light and soon picked up. But there is still so much stuff left behind in the darkness, in the old portfolio and dim gallery, somewhat less valuable perhaps, less immediately attractive, but worth another look for all that: the *scholar so disposed may make* the field his own.

The things nearest to hand are not always the first to be noticed, nor most easily retrieved: and where there is much else so well-established to command attention, as is indeed the case in this country, and in France too, worthy work may too easily be discounted as trivial, and scuffed aside. Even to-day, an interest in the academic and salon painting of the 19th century, so dear to bourgeois taste, and which is possessed of many excellent if modest qualities, feels hard to justify save as a *mildly perverse critical indulgence*, a special dispensation from Fashion again, who makes the smart of her prejudice felt long after she has changed her mind.

These things are seen more clearly at a certain remove, and more generously: we do look with comparitive kindness upon the provincial and the obscure, and we do so mainly because we are pleased to find that there is anything there at all. Russian painting, Irish painting, Scotch painting, early American and colonial painting, Eskimo, Arab

The Entertainment Guide is on Page 30

and Indian painting, all have been *shown to us lately and* deservedly: but we must ever take care not to go too far with our discoveries, and make exaggerated claims for minor work.

The exhibition now at the Morley Gallery, of Norwegian Landscape painting of the 19th century, is just such a show, its somewhat unprepossessing title (sounding so improbable and yet so dull) entirely belied by the actual contents. The paintings are a pleasure to see, well-made, straight-forward, the artists evidently educated in the wider fields of western European art. *We have no need to patronise* any of them, to make allowances or special pleas, though few are known to us, only one truly an international name.

But charm and solid worth do not lead inevitably to the making of master-pieces; after all, we have yet to see our own Edwardian Academy elevated to the status of the National School. We must look at these things, and enjoy them, for what they are. And the point is made for us by the inclusion of two works by Edvard Munch. Without him, it would have been the play without the Prince, with him, even when he is represented only by two good but modest pieces, the rest must defer to him. It is a nice problem, to give the rest a fair chance.

Together they take us quietly through the full gamut of nineteenth century European painting, from the distinguished early Romanticism of Johan Christian Dahl, who was, so we learn without surprise, the friend of Casper David Friedrich, to the Expressionism of Munch on the one hand, and the *Symbolism* of such as Theodor Kittelsen on the other. And on the way we touch repeatedly upon the various influence of Paris, whether *it is* the Barbizon School with Frits Thaulow and Gerhard Munthe, or late impressionism with Nikolai Astrup. The impression given off by the work is always of the intelligent absorption of influences, of understanding and competence, rather than of originality in any marked degree, *with but the one obvious* exception.

Norway determined her own constitution in 1814, and gained full independence in 1905, dates that all but delimit the period covered by this show; during which time she was no more immune from Nationalist sentiment than was the rest of Europe. It is tempting to link the work to the spirit, but the argument of the eye is unconvincing: the work is too well-informed, too cosmopolitan to make it positively Norwegian, in the sense that we may speak of Dutch or German Art. The character of the country and the nation comes through only obliquely, through the minutae of subject-matter, the peculiarities of costume, architecture and landscape.

None of the paintings is large, most are rather small: they are well chosen and well hung, and make an intriguing and excellent exhibition. The Morley Gallery is to be congratulated on its initiative, and the Norwegian Government thanked for the generous help that made the idea of the show a reality. These Norwegian landscapes remain at the Morley Gallery, at 61 Westminster Bridge Road (not so far away as one might think) until October 29, before moving on to Newcastle, *and then to Liverpool* for Christmas.

Theatre Upstairs

Light Shining in Buckinghamshire

"Howl, howl, ye nobles, howl ye rich men for the miseries that are coming upon you!" Not Tony Benn in 1976, but Abiezer Coppe in 1649. These were the days of freakish sects that grew up when Cromwell's soldiers, *tempted into the Army on the* pretence that they were the Saints who were to expedite the second coming of Christ, found that life under the Lord Protector was not very different from life under King Charles I.

Caryl Churchill's play is not narrative but documentary. It opens, after an anthem to Biblical words, with a profoundly moving prayer. What is so moving about it is the speaker's pathetic faith in the absurdities that guide his thinking. He truly believes that Cromwell's victory will lead at once to a New Jerusalem where all men are equal and Christ *will appear in the flesh*.

We are given glimpses of the world as it exists around him—the woman whipped out of the parish for begging, the parson who insists that the duty of the poor is to submit to their suffering, the current variety, Saxon v. Norman, of racial discrimination. I did not find myself so convinced about this last item, which I suppose Miss Churchill has put in to emphasise the similarities between that time and our own.

The dictorial nature of Cromwell's Government provides another parallel, no doubt; and, as now, the contemporary democrats found relief in unorthodox movements — the Levellers, the Diggers, the Ranters. It is the Ranters who occupy Miss Churchill's principal attention, a company of extreme beliefs—that, for example, there is no sin but what a man thinks of as sin, that (anachronistically) *property is theft*, and ultimately that every man is himself God.

The play proceeds in a series of short expository scenes written with great humanity and, as always with the Joint Stock group, faultlessly played throughout. Much use is made of contemporary documents—Cromwell's debates at Putney parish church, an official Government sermon, Digger and Leveller manifestos. Though I *have to confess that I began to* find the going slow towards the end, the general tenor of the evening is of fascinating interest.

If it is meant to demonstrate the parallels between that time and our own, we may draw some alarming conclusions. I remarked earlier on the pathos *of the people's simple but solid* belief in the religious fables used to lure them into the Parliamentary cause. If you put Marx for God, you have a roughly similar situation to-day. Is the outcome to be the same?

The excellent, simple production is directed by Max Stafford-Clark; and the six players who sustain all the characters are Jan Chappell, Linda Goddard, Robert Hamilton, Will Knightley, Colin McCormack and Nigel Terry—an uncommonly good team.

B. A. YOUNG

St. Andrew's Undershaft, EC3

Cat-Walk

This beautiful city church in St. Mary Axe, just off Leadenhall Street, is housing a season of plays presented by Upstream, a theatre group of Christian persuasion that defines its work in terms of "youth outreach" and "two-way communication." The church was badly damaged by fire late last year, but has been superbly refurbished and a large square acting area raised in the middle of the nave. The audience *sits on four sides*, the lights are hung from four elegantly sturdy columns.

Murray Watts's play is closely based on Gennady Shimanov's *Notes From The Red House*, a short account of the author's period of internment in the Kashchenko Psychiatric Hospital *on a trumped-up charge of* illegally spreading religious propaganda. Shimanov is an orthodox Christian from a non-religious family, and his confinement, ordered by the KGB, has no stronger authority to justify it than a suspicion of someone using his private convictions to challenge the supremacy of the State. The central dialogue of the piece involves an intense argument between Shimanov and the head psychiatrist on the *relative merits of Maxism and* Religion.

After a few weeks, Shimanov embarks on a hunger strike and is discharged so as to be denied what his persecutors interpret as an instinct for martyrdom. There are strong echoes of the New Testament confrontation between Pilate and Christ, and even Shimaniv's beard is diagnosed as a sympton of an inner vanity that defies the political temper of the day. Beyond that, Richard Everett's coy and superficial production introduces fragments of loony hysteria among the other inmates that are frankly embarrassing if you compare them with Peter Brook's work in *Marat/Sade* or Grotowsky's in *Kordian*.

The discussion is flatly documented with little real theatrical excitement or precision and, in case we should not have got the message, the psychiatrist rounds off the evening with a lecture on the courage required of those who live a spiritually independent life. Christianity is tough, folks, and we hope you're up to the challenge. In the chief role, Alfredo Michelson gives an attractive and stylish performance that nonetheless shares the whole production's lack of passion.

MICHAEL COVENEY

New York theatre

The future lies ahead

by GEORGE OPPENHEIMER

One of ex-President Nixon's more accurate remarks was, "The future lies ahead of us." With this in mind, I herewith tender a report of what lies ahead of us in the coming season of 1976-77. As usual, or at least for the past few seasons, revivals predominate. Two Shaw plays, *The Philanderer* and *Heartbreak House*; the return of *Oh! Calcutta!* (is this trip necessary?); the dramatisation of Henry James' *The Innocents*; O'Casey's *The Plough and the Stars* (brought to us by the Abbey Players); Tennessee Williams' *The Night of the Iguana*; *Anna Christie* by Eugene O'Neill with Liv Ullman in the title role, Chekhov's *The Cherry Orchard* with Irene Worth as Madame Ranevskaya, and any number of others including a return engagement for *Fiddler on the Roof* and *Jesus Christ, Superstar*.

The British contributions are not as *lavish as usual*. They are *No Man's Land* by Harold Pinter with John Gielgud and Ralph Richardson repeating their roles; *The Farm* by David Storey; *Comedians* by Trevor Griffiths; *Otherwise Engaged* by Simon Gray; *The Bed Before Yesterday* by Ben Travers; *Dirty Linen* and *New-Found Land* by Tom Stoppard, and undoubtedly others to be announced.

The most heralded and looked-forward-to event of the season is a Texas trilogy of Preston Jones, consisting of *The Last Meeting of the Knights of the White Magnolia*, *Lu Hampton Laverty Oberlander* and *The Oldest Living Graduate*. They are independent themes, all laid in the same Texas town, and will be given in 11 performances a week. Out-of-town reports hail Preston Jones as one of the most important new playwrights to be discovered in many years.

Other dramas are *I Have a Dream*, a potpourri of songs, and text based on the writings of the late Civil Rights leader, Martin Luther King, Jr.; *Joanna* and *Home Boy*, two separate plays by black writer Ed Bullins; *Wheelbarrow Closers* by Louis La Russo II, who wrote last season's *Lamppost Reunion*; *A Trip Back Down* by John Bishop and two thrillers, *Poor Murderer* by Pavel Kahout, translated from the German by Herbert Berghof with Maria Schell, and *The Dream*, a psychological thriller by Leonard Spigelgass and Richard Lortz adapted from Lucy Freeman's book of the same name. There are also rumours that Tennessee Williams' long-postponed play, *The Red Devil Battery Sign*, will finally reach New York after extensive re-writes.

The comedies promised for the season are *Best Friend* by Michael Sawyer; *Winter Chicken* by Jeniffer Jarrett; *Something Old, Something New* by Henry Denker; *Sly Fox*, a modern adaptation of Ben Jonson's *Volpone* by Larry Gelbart with George C. Scott, *Checking Out* by Allen Swift, which has been getting good reports from out-of-town; *Win With Wheeler*, a political comedy by Lee Kalcheim; *Rehearsal*, a comedy about a playwright's problems by Jack Gelber; *Success*, a two-character comedy about the marriage of actors, *and various others*.

The musicals are not as many as usual (probably because of the high cost). Outstanding is *Hellzapoppin*, a new edition of the old Olsen and Johnson madcap revue, refurbished with Jerry Lewis in the lead; *The Robber Bridegroom*, an enchanting entertainment which had a brief stay in John Houseman's Acting Company repertory last season; *The Baker's Wife*, an adaptation of a film by Marcel Pagnol which has been travelling about the country for the past few months; *Music Is . . .* , one more musical version of *Twelfth Night*, devised and directed by George Abbott; *Look Homeward, Angel*, Thomas Wolfe's novel and a subsequent *play set to* music; *Camino Real*, Tennessee Williams' fantasy, turned into a musical; *Sweeney Todd*, based on the bloody career of the 18th-century barber, with book, music and lyrics by Stephen Sondheim, *Jacobowsky and the Colonel*, a musical adaptation of S. N. Behrman's adaptation of Frank Werfel's play and *Going Up*, a 1917 hit that has been brought back with some emendations.

That is about it, but not all of it. *The moment one writes* a piece about forthcoming attractions, a whole new set of plays is announced especially off-Broadway, which specialises in last-minute announcements. There is too the ever-present chance that many of these productions will never come to light. They may die on the road or, even before that, their optimistic producers may fail to raise the required wherewithal with which to expose them to the public gaze.

One of the strange occurrences of the forthcoming stanza is the cancellation of the first two productions at Joseph Papp's Beaumont Theater in Lincoln Center. Papp claims that this is because of economic considerations, but it is a rather sad commentary that New York's supposedly most celebrated company should be thus curtailed. Papp may have extended himself too far with his Public Theater off-Broadway productions which seem to increase every year, his Mitzi Newhouse offerings in the theatre below the Beaumont, his free Central Park shows *during the summer and various* other activities.

English 'Poppea' at Wooburn Festival

The high point of this year's music festival at Wooburn, near Beaconsfield, will be the stage performances on Wednesday, Thursday, Friday and Saturday this week of Monteverdi's *The Coronation of Poppea in a new* English translation by Arthur Jacobs. The edition performed will be that prepared by the American musicologist Alan Curtis, and baroque instruments will be used in the orchestra. The conductor is Richard Hickox.

EUROPEAN NEWS

Kohl challenges Schmidt over Hesse allegations

BY ADRIAN DICKS BONN, Sept. 27.

WITH only six days to go before the Bundestag election on Sunday, the Christian Democratic Party leader, Herr Helmut Kohl, to-day challenged Chancellor Helmut Schmidt and his Social Democratic Party chairman, Herr Willy Brandt, to state formally their position on the tangled political situation in Hesse.

Although its national importance remains hard to judge, there seems little doubt that the catalogue of mis-management and alleged corruption in the Hesse state SPD government will severely weaken Herr Schmidt's support there, if not sweep it away. And in the view of some political experts in Bonn, loss of such support in a state that has traditionally been a SPD bastion could possibly cost the coalition government the election.

According to Press reports in the past few days, the long-time Hesse state Premier, Herr Albert Osswald, is almost certain to be ousted by his colleagues as soon as the federal elections are out of the way. He is widely held responsible for the mismanagement of the affairs of the Hessische Landesbank, which has had to write off over $2.2bn. (£530m.) during the past three years, as well as for several cases of corruption and questionable political expenditures. In addition, the SPD government in Hesse—which has held power continuously since the Federal Republic was established—has angered many voters with its mishandled, radical educational reforms.

In state elections two years ago, Hesse gave the local SPD-FDP coalition 50.6 per cent. and the CDU 47.3 per cent.—or roughly what the polls now predict for next Sunday. If SPD stalwarts in the state are sufficiently disheartened to give the CDU a majority of their votes in the Federal election, the result could conceivably determine the composition of the new bundestag.

An increased CDU representation from the state would, in any case, reflect to the credit of the Hesse leader of the party, Herr Alfred Dregger, an arch-conservative who is due to become Interior Minister in Herr Kohl's cabinet if the CDU wins. The SPD's campaign material depicts him and Herr Franz-Josef Strauss as the two men who would push Herr Kohl, once in office, steadily to the Right.

Latest polls show the rival parties still running virtually neck and neck. The four leading polls' latest findings are that Herr Kohl's party can expect between 48 and 49 per cent. of the vote and the coalition government between 50 and 51 per cent.

● The West German government has at last managed to conclude an agreement with the U.S. for the transfer of documents relating to allegations of bribery in West Germany by Lockheed. According to the terms of the agreement, which has presented unexpected legal difficulties on the American side, the voluminous material—estimated at some 30,000-plus pages—may be used for any official West German need laid down by this country's basic law.

The scrutiny of the Lockheed documents by a team of officials familiar with the case is expected, however, to take several weeks, and there is virtually no chance that anything now handed over by the Americans could substantially affect the outcome of the election.

In an interview with a Sunday newspaper yesterday Herr Franz-Josef Strauss once again attacked Chancellor Schmidt for failing to secure the Lockheed files earlier. He predicted that some of the revelations covering Herr Schmidt's own years as Defence Minister would be "disagreeable" for him.

ITALIAN ECONOMIC PROPOSALS

Communist vote is crucial

BY DOMINICK J. COYLE ROME, Sept. 27.

THE ITALIAN cabinet is expected to approve a number of new economic measures at a meeting here to-morrow, but Sig. Giulio Andreotti's Christian Democrat (CD) Government does not have a Parliamentary majority to give effect to the proposals.

Parliament itself resumes this week, and it is evident that the attitude of the Communist Party (PCI) will be crucial if Sig. Andreotti's plans for economic recovery, including proposals for industrial reconversion, are to be implemented.

The proposed measures, which are understood to include increases in taxation and steps to curtail the growth of certain imports, notably petroleum products and foodstuffs, have been under discussion virtually non-stop since the general election last June. Some outline of the proposals was given to-day by the Prime Minister when he met leaders of the three labour confederations.

A dialogue of sorts between the main parties represented in Parliament has continued throughout most of the summer, although without any formal negotiating sessions, and Sig. Andreotti must hope that the final package will sufficiently satisfy the PCI to merit at least Communist abstention in Parliament. The PCI abstained when the Andreotti administration finally won a vote of confidence last month.

However, a blanket PCI abstention on the Government's economic programme could present considerable difficulties for the Communist Party, since it is doubtful in the extreme if some aspects of the projected package will not be such as to merit outright opposition from many PCI supporters.

Yet the present political reality in Italy gives the PCI little real room in which to manoeuvre. The Communists can certainly bring down the present government virtually at will, but another minority CD administration would not change things much. The alternative prospect of another general election would not suit PCI strategy, or indeed find much favour with the electorate only three months after the last inconclusive poll.

For Sig. Andreotti there seems to be little choice but to present his long-heralded economic package to Parliament, assuming it is approved at to-morrow's Council of Ministers' meeting, and then sit back and await reactions, not only by the Communists but also by the CD's former partners in the centre left coalitions. The attitude of the trade unions, too, could be crucial.

The Swiss Chemical, Textile and Paper-Workers' Union and the Italian union federations CGIL, CISL and UIL have urged that Hoffmann-La Roche be made to cover all damages caused by the accidental release of toxic chemicals at Seveso in northern Italy in July, and to guarantee the 170 jobs at the closed Icmesa plant there, reports John Wicks from Zurich.

The professed strategy of the Andreotti Government is to reduce Italy's traditional reliance on deficit-financing by increasing tax revenues and cutting back on state-sector spending, or at very least containing the rate of increase. Coupled with this general objective, the Government's senior advisers are anxious to facilitate increased investment in the private sector of industry and to make labour costs more competitive internationally, as is being demanded by the main employer organisation, Confindustria.

Sig. Andreotti is believed to have proposals to encourage greater labour mobility, together with adjustments to the existing programme of threshold payments, perhaps by eliminating them entirely (at least for a period) for wage levels over a certain annual figure. A differential payments systems might apply at medium income levels, the existing system continuing for the lower paid.

The trade unions themselves might even accept such proposals, but at a price. They want the Andreotti Government to take immediate and positive steps to reduce unemployment, particularly among younger people, and are also pressing for increased state-sector involvement in industry, together with additional "social investment" in new schools, hospitals and the like.

The Government's package overall is said to be based on a determination to maintain "reasonable stability" of the lira which, in fact, came under some renewed pressure last week, partly in line with other weak currencies, but also because of some fears about the effectiveness of the proposed economic measures here.

In capsule, the economic package is expected to come out under a number of main headings—export growth, steps to curtail some imports, plans to maintain competitiveness in labour costs, spending "cuts" at both state and local level and some additional recourse to foreign borrowing.

On the particular question of cutting back on petroleum imports, Sig. Carlo Donat Catting, the Industry Minister, has indicated that he will seek approval at to-morrow's meeting to encourage reduced demand.

He appears to have dropped earlier plans for a swingeing increase in the price of petrol, in part because of its repercussions on the Italian motor industry. Instead, the main brunt of the "save energy" campaign may well fall on domestic users of electricity and heating fuels, perhaps through a price differential over and above a prescribed quota.

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Widespread political strike by Basques

By Roger Matthews

MADRID, September 27.

A GENERAL STRIKE gripped the Basque provinces of Spain to-day for the second time in a fortnight, with more than 350,000 workers estimated to have answered the called for a one-day stoppage in support of a political amnesty, and in memory of the five young men executed by firing squad a year ago.

Riot police clashed repeatedly with demonstrators who used cars to form barricades. In several areas, the police used tear gas and rubber bullets to disperse groups chanting "Police murderers!" and "Freedom for the Basque people!"

Official sources in the province of Guipuzcoa admitted that at least 95 per cent. of the working population was on strike, with schools, banks, offices and shops involved in the total closure of industry. After factory meetings this morning, the province of Vizcaya, where Bilbao is the main city, followed a similar pattern, with the port also at a standstill. Navarre province was also seriously affected, especially the industrial belt around Pamplona, and stoppages were reported from Vitoria and other parts of Alava. Labour sources claimed that this was the most effective shut-down of the Basque provinces since the death of General Franco last November.

It was a direct challenge to the authority of the Government, said one opposition leader, and emphasised the solidarity of the Basque people in achieving political freedoms and the right to autonomy.

Another serious situation was reported from the Canary Islands, where tourists were warned to keep off the streets in Santa Cruz, the capital of Tenerife. Virtually the whole town was closed, with barricades thrown up in working-class districts.

This followed three days of incidents between riot police and demonstrators protesting at the police shooting of a man mistakenly thought to be the kidnapper of a local industrialist. Large forces of police and paramilitary Guardia Civil were standing by in other Spanish cities, where demonstrators plan to mark the first anniversary of the executions.

Meanwhile, a spokesman for the director general of the Post Office said this morning that the strike by postmen was now national. The authorities to-day stressed their willingness to negotiate.

Portugal starts handing back illegal land

By Paul Ellman

LISBON, Sept. 27.

THE Portuguese Government to-day took a first step towards handing back illegally occupied farmland but was reported to have encountered refusals to leave by workers in some areas.

Although a Cabinet statement last week said that the first evictions would start to-day no dispossessed owner had managed to return to his land.

The evictions affect 101 illegally occupied farms covering some 40,000 acres in the southern Alentejo region.

Government ministries resolutely refused to comment on progress being made in persuading workers to give up farms peacefully.

Local officials in the Beja district, however, said some workers had adopted a "rigid" attitude when asked to leave.

Gibraltar

A referendum on the future

BY JOSEPH GARCIA, GIBRALTAR CORRESPONDENT

GIBRALTAR'S 18,000 voters go to the polls to-morrow in the most crucial general election in the colony's history. London and particularly Madrid will be watching the event with special interest, for the Rock's future relations with Britain and Spain have become the central issue in the campaign, and the election has been transformed almost into a form of referendum.

As many as 25 candidates—the highest number ever—are standing for election to the 15-seat House of Assembly, about half of them for the first time. Two political parties, one 30 years old and the other 30 days, and nine independent candidates with divergent viewpoints provide a complex scenario where political thought can be summarised as follows: the Gibraltar Labour Party which expresses complete faith in the British Government and has no fear of a British sell-out of the Rock to Spain; those who, like the newly formed Gibraltar Democratic Movement, want immediate talks with Britain to find out in what way Gibraltar is to be decolonised by Britain considering that London has denied the Gibraltarians independence, free association and integration; and three independent candidates who are urging a deal with Spain for the first time in a Gibraltar election but who seem to disagree among themselves on the precise nature of the desired settlement.

Never before has the electorate been plunged into such a state of bewilderment and utter confusion. It all began with a strong British rebuff to Gibraltarian proposals which would have strengthened economic and political ties with this minuscule Mediterranean outpost. In effect what Britain categorically stated at the abortive constitutional talks in London during the summer was that integration was unacceptable, and this had had the net effect of disintegrating the Intergration with Britain Party, which was formed about a decade ago at the height of the Spanish restrictions on the Rock. The party was synonymous with the "No Concessions to Spain" stance and their departure from active politics has the wider implication of seemingly emasculating organised hardline resistance to a settlement with Spain. Mr. Maurice Xiberras, who has resigned as party leader, believes that integration has become an obstacle in the designs of the Foreign Office for a more flexible British approach to the centuries-old Anglo-Spanish dispute over the Rock's ownership. Hawkish elements have not however completely disappeared from the political scene and both Xiberras and former integrationist Chief Minister Major Bob Peliza are fighting the election as independent candidates.

In recent years the nature of Gibraltarian politics has been such that the impression was wrongly generated that those who did not belong to the integration party were not a pro-British as they were. At the last general election, Labour Party leader and current Chief Minister Sir Joshua Hassan was being accused by the integrationists of wanting an unsavoury deal with Spain, and now with the demise of the integration party, it is Sir Joshua's party which is at this election telling people that it is by voting Labour that they will remain British.

"I have every faith in the British Government," says Sir Joshua. The British denial of constitutional reform has changed nothing, he adds, and the British pledges to defend Gibraltar politically and to support it economically have been reiterated. "The last 12 years have proved that the British Government really means what it says in protecting us from coming under Spanish sovereignty against our wishes," he says.

But what about the next 12 years? There are signs that the Foreign Office would welcome getting rid of this problem if it could find the right formula to satisfy the conflicting aspirations of the Spanish and the Gibraltarians. In Gibraltar itself there has been visible concern about the future ever since that British denial which was not couched in the best diplomatic language and which included the suggestion that it would be wise to avoid innovations which might make a more favourable Spanish attitude to Gibraltar less likely. Spain's shift towards democratisation and her possible entry into Nato and the EEC would bring new elements into the situation which could substantially alter present concepts and entrenched positions.

The political hotchpotch permeating Gibraltar to-day has given rise to the creation of a Gibraltar Representatives Organisation—a body of 19 associations, etc., excluding the Labour Party at their own request— who want Britain to spell out, in precise terms and without delay, what Gibraltar's future is going to be. A political offshoot of this organisation, the Democratic Movement, is contesting the election with a full candidature. Their leading figure is Left-wing trade unionist Joe Bossano, a top TGWU local branch officer, and founder member of the Integration Party, from which he resigned after taking on the full-time union job.

As a political group it is an unknown quantity as only Bossano himself has previously stood for election. The movement encompasses people from different walks of life, including the vice-president of the chamber of commerce in a personal capacity, but claim to have buried their different ideologies for the sake of Gibraltar's wider interests. Says their manifesto: "The present colonial status of Gibraltar is an affront to the dignity of the people of Gibraltar and the Movement will press for the decolonisation of Gibraltar and the creation of a new status for Gibraltar which will secure the future of the territory and the people."

Meanwhile, for the first time, three candidates are stand for election on a pro-settlem with Spain ticket, but rang from an economic/commerc cultural arrangement to a po cal solution the implementat of which could be left in a ance until Spain enters the C mon Market or, as barrister Triay puts it, until January 2,000. Whatever votes Triay the others get will be interpre as an indication of Gibraltar thinking in favour of a set ment. Triay refuses to be dra into the delicate question sovereignty, saying that it is old concept, and argues that able guarantees could be fo to safeguard a Gibraltarian raltar, citing Britain, Spain the United States as guarant

Growing mistrust of Britis tentions has gone hand in h with an upsurge of national The Labour Party's policy "The Right to our Land," a c cept of nationhood tempe with much moderation and p matism, is now being propaga by other candidates in vary degrees of emphasis and de tion. One of the candidate actually describing himself a "independent nationalist."

But the 1713 Treaty of Utre on which Britain's legal title the Rock is based, gives Sp first refusal in Britain e decides to abandon her R responsibilities, and thus treaty as it stands to-day depri the Gibraltarians the prospect acquiring independence.

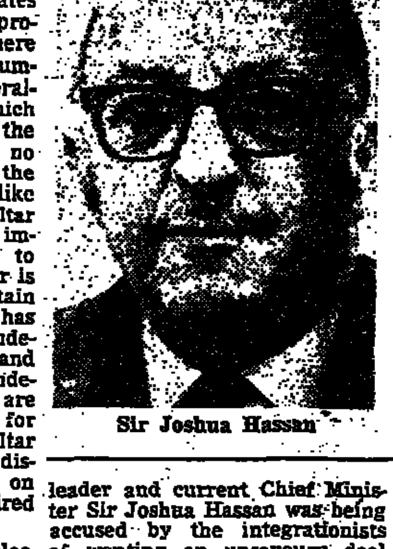
There are several optio facing the Gibraltarians:

1—To remain linked to Brit as overwhelmingly decided in t 1967 referendum, with Brit responsible mainly for defen foreign affairs and inter security, and Gibraltar ministe for defined domestic matters.

2—To accept a transfer sovereignty to Spain as forma proposed by Madrid with special statute for Gibraltarians and base faciliti for Britain.

3—To seek full inter autonomy, guaranteed by a n Anglo-Spanish treaty whi would give rise to a form condominium.

Where political thinki coincides is on the point that next few years are going to crucial ones for Gibraltar and 29,000 inhabitants. Sir Josh 61, had seriously thought of ret ing after 30 years at the helm decided to stand for election a again possibly for the last ti because of the changes tak place in Spain which cou present a new, challenging sit tion to the Gibraltarians. important decisions are to taken, he says, he wants to there. And most likely he w be there, as his party is show signs of still being the stronge single group contesting election.



Sir Joshua Hassan

SPAIN PUTS CASE AT UN

SPAIN used the UN General Assembly yesterday to reiterate its claim to Gibraltar, implicitly seeking the world body's support for a demand that Britain begin prompt negotiations aimed at turning the colony over to Spain, writes our UN Correspondent from New York. The Spanish Foreign Minister, Sr. Marcelino Oreja, said Madrid had repeatedly offered guarantees of the legitimate interests of the people of Gibraltar, and proposed "generous formulas for a solution." But these had never been taken seriously, he said.

French public sceptical over economic package

BY ROBERT MAUTHNER PARIS, Sept. 27.

THE FRENCH Government has not had much success in drumming up public support for its anti-inflation package announced by Prime Minister Raymond Barre last week.

An opinion poll published by the Paris daily newspaper Le Figaro to-day shows that while most people are favourably impressed by the new Prime Minister personally they are sceptical, to say the least, about the measures themselves. Thus, 54 per cent. of those questioned consider that the plan's chances of success are slim, while 58 per cent. believe that the Government's fight against inflation is more or less doomed to failure.

The reactions of organised labour continue to be hostile. Following the sharp criticisms of the left-wing unions which culminated in a general 24-hour strike call for October 7, the General Confederation of Cadres (CGC), a union representing middle management, has joined the ranks of the discontented.

Though not going as far as advising its members to join the strike, the CGC, which feels that it is in the front line of the tax increases decided by the Government, has announced that it will hold protest meetings and lobby members of Parliament to oppose the plan. More ominously, as far as the Government is concerned, it has made clear that its policy at forthcoming local and general elections will be influenced by the failure of the Government to take into account its members' interests.

Meanwhile, the latest cost-of-living figures show that inflation continued to run at a high rate in August. Though the price rise last month was down on that of July—0.7 compared with 1 per cent.—it is generally accepted that the August figures never properly reflect the real rate of inflation because of the large number of shops and businesses which close during that month.

Polish court lets price protesters off lightly

BY CHRISTOPHER BOBINSKI WARSAW, Sept. 27.

A HIGH COURT to-day reduced sentences on seven workers involved in protests in June against proposed food price increases. The sentences of three to five years were cut to one year of jail, suspended for three years.

The decision, which means that the men go free almost immediately, comes with the postponement of another trial of three Ursus factory men due to start this morning, and indicates a cautious approach, apparently decided at the highest level. It seems likely that no more cases will be heard, the men now awaiting trial having been released.

Defence lawyers in the High Court argued that both the charge of disrupting communications and the sentences were excessive, as disruption had not been extensive. They also emphasised that all those convicted had unblemished work records, and that they were not hooligans but class-conscious workers who had acted in defence of the interests.

A statement made publ to-day and signed by 14 int lectuals—among them the writ J. Andrzejewski and J. Kuro the author of last July's appe to Enrico Berlinguer, the Itali Communist leader—announc the setting-up of a defence co mittee to provide legal, financ and medical aid for workers. T statement accuses the authorit of lawless repression and the u of "physical terror" duri police investigations, "for t first time for many years."

It reveals that 160,000 zlot (£4,000) have already been c lected and used to aid victim Having called for more aid, appeals for similar committees be set up wherever necessar The signatories also appeal f information on repressions, a calls for an amnesty for tho still in prison from Radom a elsewhere, supporting the Poli bishops' demand in this resepe of September 9.

fricans in a township near Bulawayo sing and dance in the street shortly after it became nown on Sunday that the "frontline" African Presidents had rejected part of the Kissinger plan for Rhodesia.

S. Africa accepts UN-sponsored conference on Namibia's future

BY BRIDGET BLOOM

SALISBURY, Sept. 27

UTH AFRICA has accepted t the future of Namibia outh-West Africa) can be dis- ssed at a conference held der United Nations auspices. wever, it has not yet accepted African nationalist demand it the delegations at that con- ence would represent the uth African Government on one hand and Swapo, the in nationalist group, on the ier.

According to senior African urces, Dr. Kissinger, the U.S. cretary of State, obtained Mr. orster's agreement in Pretoria week ago to a constitutional nference being held in Geneva, hich would be called by the ited Nations Secretary-General . Waldheim, held on United itions premises and paid for the United Nations.

But, say the sources, Mr. orster is still insisting that the uth African sponsored confer- ice currently taking place in indhoek, the Namibian capital, ould be the main negotiating dy, rather than, as Swapo and ie frontline Presidents insist, the South African Government itself.

Apparently South Africa has agreed that it would send obser- vers but this formula has been rejected by the frontline Presi- dents on behalf of Swapo.

The Namibian question, which formed a major part of Dr. Kissinger's shuttle negotiations in Africa, has for the time being taken second place to the pro- posed agreement on Rhodesia. It is however, an integral part of U.S. atempts to secure peaceful change in southern Africa and early hopes that it would prove less intractable than Rhodesia have not materialised.

It is understood that at one stage Dr. Kissinger was consider- ing return to Pretoria to con- tinue discussions on Namibia, but it was decided that negotia- tions would for the time being take place through normal diplomatic channels.

Our UN correspondent adds: The Security Council agreed to-day in private consultations to resume debate on the Namibia question to-morrow afternoon.

There was speculation that Dr. Kissinger might take part to report on his Africa shuttle diplomacy, in which Namibia was a principal issue. The U.S. delegation declined comment.

Reuter reports from Pretoria: Minister of Police and Justice *James Kruger has ordered a re-* examination of security at the Prime Minister's official resi- dence after about 150 demonstra- tors invaded the grounds on Friday.

Thirty-six members of the extreme Right-wing Herstigte National Party (HNP) were arrested after demonstrating against what they called the "Rhodesia sellout" by Prime Minister John Vorster. They will appear in court to-day on charges under the Riotous Assemblies Act.

The demonstrators included HNP leader Albert Hertzog, a former South African Cabinet Minister, but he was not arrested.

● A leader of the South African Black Consciousness movement, Terence Tyron, secretary-general of the South African Students' organisation, was arrested to-day, police in Durban told Reuter.

Rhodesia suspends dealings in external shares

SALISBURY, Sept. 27.

THE RESERVE Bank of Rhodesia to-day suspended until October 29 dealings in external shares and Rhodesian shares quoted outside the country.

In a statement issued here, the Bank said anyone wishing to buy and sell such shares could only do so with specific exchange control authority. It said the temporary suspension did not preclude Rhodesian resi- dents from buying and selling Rhodesian stocks and shares quoted solely on the Rhodesian Stock Exchange.

"This measure has become necessary to facilitate the imple- mentation of new administrative procedures for controlling Rhodesia's foreign security assets and ensuring their continuing benefit to the country, the state- ment said.

It is not the intention of the authorities to dispossess bene- *ficial owners of their interests in* any externally quoted shares by this measure, said the Bank.

Market circles in Johannes- burg said the suspension would have little effect on the Johan- nesburg Stock Exchange. "Deal- ings are down to virtually nothing anyway," said one broker.

Meanwhile, the Minister of *Finance, Mr. David Smith, said* that Rhodesian foreign exchange controls will not be abolished as a result of the new settlement initiative.

"However, their application, as heretofore, will be revised from time to time in the light of the country's balance of pay- ments prospects."

He stressed that the Treasury and Reserve Bank would con- tinue "to ensure stable and orderly conditions in the money, credit and capital markets of the country" and that close co-opera- tion with the banks and other financial institutions would be maintained.

AP-DJ

Our city staff writes: The cool reception in London given by African leaders to the U.S.- British settlement initiative in Rhodesia brought in sellers of Rhodesia Bonds after the recent *speculative gains. The S. Rhode-* sia 2½ per cent., 1965-70, fell back by £8 to £50, having been £39 a week ago.

Other losses were generally of the order of £5 on the day, but the 3½ per cent., 1961-66, lost £10 at £50 and the 6 per cent., 1976-1979, gave up a similar amount at £60. A week ago, they stood at £25 and £36 respectively.

It has been estimated that the interest arrears on the bonds—there have been no pay-outs in the U.K. since UDI was declared in 1965—plus the overdue re- demptions total almost £70m. Six of the bonds have already passed their redemption dates.

However, Rhodesian holders of the bonds are understood to have been receiving payments, as have other holders outside the U.K. The amount owed to British investors in capital and interest arrears could therefore be only around £40m., though there are no official figures available. Details will only come to light when the Bank of England, which acts as registrar for 11 out of the 12 quoted bonds, starts to pay out the cash, if and when it comes through.

Outside the bonds, Turner and Newall, the U.K. industrial group with large interests in Rhodesia, fell 4p yesterday to 145p. But the largest setbacks were seen in the mining sector. Rhodesia Corporation fell back by 5p to 20p, Falcon lost 30p at 100p and Coronation Syndicate 13p to 80p. Falls of 6p and 15p respectively were recorded in Wankie Col- liery, 48p, and MTD (Mangula), 105p.

Our Salisbury correspondent writes: Figures released to-day show that 1,520 whites emigrated in August resulting in a net loss of 910 whites, the highest month- ly figure for more than 10 years.

Former Fatah guerilla behind Damascus raid

BY IHSAN HIJAZI

BEIRUT, Sept. 27.

A MAN known only as "Abu Nidal" who operates out of Baghdad and who was expelled from the main guerilla group, Al Fatah, is believed to have been the mastermind of the ter- rorist attack against the *Semiramis Hotel in Damascus* yesterday. Three of the survivors of the raid were hanged in public at dawn to-day.

The Left-wing Radio Beirut, which has connections with the commando movement, to-day identified "Abu Nidal" as the engineer of the Damascus raid. The radio also carried the state- ment issued by Fatah here last *night categorically denying any* involvement in the operation. The statement said Fatah will not do anything to harm the Syrian people and accused un- *identified "Arab intelligence ser-* vices" of responsibility.

"Abu Nidal" was expelled from Fatah in the wake of the Jordanian civil war six years ago. He established himself in Baghdad and recruited Palestin- ians there insisting in operating under Fatah's name.

Fatah itself exposed Abu Nidal publicly when it identified him *as the man behind the attack* against a Pan American airliner at Rome Airport in December, 1973. Thirty-one people inside the aircraft were killed in the machine gun and incendiary bomb attack.

The conflict between Fatah's leadership under Mr. Yassir Arafat and Abu Nidal was wide open then. Abu Nidal said in *a Press interview that he* intended to oust Arafat as leader of Fatah.

The fact that the Iraqi regime adopted Abu Nidal and allowed him to set up training camps in Iraq, caused sharp friction between Baghdad and Fatah. Abu Nidal was often identified with the commando "Rejection Front" which is supported by Iraq.

That the gunmen who attacked Semiramis Hotel confessed before they were executed that they had come from Iraq, placed the Semiramis incident very much within the conflict that has been raging between the Syrian and Iraqi regimes.

The Left-wing Beirut radio to- *day expressed fears the Syrian* regime may use the Damascus incident as a justification for an all-out attack against the Pales- tinian guerilla movement both in Lebanon and Syria

Informed sources here expect a Syrian clamp-down on Fatah in Syria. The sources said that this could be indicated from the strong statements made yester- day by Syrian President Hafez Al Assad and other Syrian leaders.

More heavy fighting in Lebanon

BY OUR OWN CORRESPONDENT

BEIRUT, Sept 27.

FIELD artillery, anti-aircraft guns and tanks were used in heavy clashes over night here and on other Lebanese fronts. "It *was one of the noisiest nights in* several weeks" newspapers to- day said.

The main exchanges centred in the devastated down town area, the southern suburbs, and on Beiruts greenline separating the Moslem and Christian districts. Both Right-wing and Left-wing radio stations reported artillery duels in the Aley district 13 miles east of here, and around the northern Moslem port of Tripoli.

Press reports put the number of those killed in the past 24 hours at 27.

To many observers, the con- tinuation of the fighting on this large scale is disappointing at the beginning of the new regime of President Elias Sarkis.

Mr. Sarkis kept up his contacts to-day with the country's political leaders and met lengthily with Mr. Camille Chamoun, the acting *premier and leader of the Right-* wing group, the National Liberal Party.

Yesterday, he conferred with the Left-wing leader, Mr. Kamal Jumblatt, but a meeting with Mr. Yasir Arafat, the chairman of the Palestine Liberation Organisa- tion, had to be postponed because of security reasons.

UPI adds from Cairo: Mr. Jumblatt said to-day he has presented President Sarkis with proposals for ending the civil war based on withdrawal of Syrian troops, a ceasefire guaranteed by joint Arab peace- keeping forces, negotiations between the warring factions and the formation of a "national union" Government to implement a negotiated settlement.

He spoke to journalists after conferring for more than two *hours with Egyptian Foreign* Minister Ismail Fahmi.

Mr. Jumblatt said the Lebanese-owned and Cypriot-registered yacht Phoenicia in which he travelled from Lebanon to Cyprus had been "disturbed and harassed" by Israeli gunboats and a heli- copter.

ON OTHER PAGES

Japan railways seek to defer £80m. debts to private industry

BY CHARLES SMITH

TOKYO, September 27.

APAN'S National Railway Cor- oration (JNR) will become the *rst public corporation ever to* ave to defer payments to rivate industry on Wednesday hen it requests some hundreds small suppliers to wait until ctober for payment of Yen bn. (about £80m.) worth of hts due to be settled by the d of this month.

The JNR's financial plight, adlined by the Tokyo Press a case of "technical bank- ptcy," apears on the surface be due to stringency by the nance Ministry in refusing lditional funds. In reality it ems that the Government is ing everything it can to drama- se the railway's financial situa- on in order to assist the passage through the Diet (Parliament) of a Bill which will enable JNR to *raise its fares* by 50 per cent.

The detailed arithmetic of the JNR's "bankruptcy" is as follows: the corporation is due to repay to the Finance Ministry by Wednesday a sum of Y97.8bn. and has been refused permission to finance the repayment by bor- rowing another Y100bn. for re- payment in October.

The JNR will instead borrow Y50bn. from the Government, finance another Y10bn. of its payment obligations from special reserves and defer payment to the value of Y40bn. on bills due to be paid to the private sector. The Finance Ministry says that it cannot make more money available to JNR because to do so would be to breech the cor- poration's already announced loan ceiling.

Another reason given is that the funds to be lent to the JNR are from postal savings which can only be lent by the Govern- *ment under strict guarantees of* repayment. It seems clear, how- ever, that technical considera- tions like these are over- shadowed by the Government's *political decision to dramatise* JNR's financial crisis.

JNR is a chronic loss-maker on all but two of its numerous lines (one of these is the high- *speed bullet train linking Tokyo* with Osaka) and now has accu- mulated long-term debts to the Government worth more than its capital.

The corporation increased its fares by 23 per cent. for pas- sengers and 24 per cent. for freight in the autumn of 1974 but the point has been reached *where a much bigger rise is now* needed to avoid either a total collapse of railway finances or an unacceptable increase in the size of the national budget deficit.

JNR fare rises have to be approved by Parliament and a Bill to increase fares is one of three major items of legislation before the special session of the Diet which was convened last week. JNR officials say that if the Bill is not passed the cor- poration may have to start deferring wage payments

The Railway Bill, however, ranks second on the Diet's list of priorities, next to the Bill sanc- tioning the issue of special deficit covering bonds to cover this year's already very large budget deficit. Its chances of getting through before the cur- rent Diet session ends in the early winter are probably no *more than even.*

Tokyo eases loan growth

TOKYO, Sept. 27.

HE BANK of Japan, as ex- ected, lowered the ceiling for ctober-December loan growth Japan's 13 largest commercial nks, but signalled no change its monetary policy.

The 13 city banks, which con- ol more than 50 per cent. of ans and deposits outstanding the nation's banking system, ere told they could increase eir loan portfolios by an aggre- ate 1.55 trillion yen in the last arter of 1976, down 4.3 per nt. from the aggregate in- ease *a year earlier. Each of* e 13 has an individual ceiling ithin the total.

In the July-September quarter, ie banks were allowed a 1.7 er cent. aggregate increase in ans from a year earlier, but ie Central Bank's cut in the llowable growth is seen as a esponse to poor loan demand, ather than as new monetary estraint.

Loan officers in Tokyo say they are so pessimistic about demand that only medium-size borrowers are being offered re- duced *interest rates* as a means of boosting loan business. They explain that large corporations now have sufficient cash flow to enable them to reduce their short-term borrowing.

At the same time, the corpora- tions have not become optimistic enough to schedule plant and equipment outlays that would fuel long-term credit demand. As of August 31, loans outstand- ing at the city banks totalled 50.606 trillion yen.

The bank of Japan set maxi- mum loan growth for the long- term credit banks in October- December at 330bn. yen, down 5.2 per cent. from a year earlier, and that for trust banks at 410bn. yen, down 5.3 per cent. from a *year earlier.*

Kenya move on President rule

By John Worrall

NAIROBI, Sept. 27

A PROPOSED amendment to the Kenyan constitution, possibly to be put soon to parliament, seeks to amend the clause whereby the Vice-President automatically assumes the presidency for 90 days in the event of the Presi- dent retiring, becoming physic- ally or mentally incapacitated, or in the case of his death.

A demand for such an amend- ment was made during a week- end rally of the ruling Kanu party (Kenya Afri National Union) at Nakuru according to a report in today's Nairobi "Standard," the demand was made by the MP for Nakuru North, Mr. Kihika Kimani, who told the rally that the "clause was all wrong and should be updated" Nakuru is the site of President Kenyatta's country home. The Vice-President is Mr. Daniel Arap Moi, who is also *Minister for Home Affairs.*

According to the "Standard" report 20 other MPs were at the rally as were three ministers.

Peking extends mourning

BY COLINA MACDOUGAL

PEKING has cancelled all forth- coming celebrations marking its 27th National Day on October 1, in mourning for Chairman Mao Tse-tung, who died on Septem- ber 9.

Official mourning ended on September 18, when huge memorial meetings were held throughout China. The present period of suspended activity is expected to last until October 10.

The only time in recent years when the usual National Day format was altered at the last minute was in 1971, following the alleged coup attempt and flight of Mao's then heir, Lin Piao.

No official announcement has yet been made as to Mao's last resting-place. It is presumed *that this must be a matter of* some debate in Peking, since official Chinese sources normally speak quite openly on this sort of subject. When Premier Chou *En-lai died in January, he was* cremated before the official memorial meeting in Peking, and his ashes were scattered across China. The remains of other Chinese leaders are usually *interred* at the Papaoshan *Cemetery in Peking.*

The present political un- certainty in Peking shows no sign of immediate change. *Central Committee members who* came to the capital for the memorial service on September 18, and might have stayed for a political meeting, appear to have *left. All the surviving members* of the Politburo have been in the limelight since Mao's death, though this has centred on the Premier and senior party Vice- *Chairman, Hua Kuo-feng, who in* public is performing all the functions of a national leader.

UPI adds from Hong Kong: A Tsighai provincial committee *of the Chinese Communist Party* has called for a crackdown on "a tiny group of class enemies" who spread rumours, instigate strikes and engage in sabotage, looting and other violence. It was the first report of civil dis- orders in China since the death of Mao.

AMERICAN NEWS

Ford still gaining despite campaign funds allegation

BY DAVID BELL

WASHINGTON, Sept. 27.

PRESIDENT FORD is still gaining on Mr. Jimmy Carter, according to the latest opinion poll released to-day, but he continues to be dogged by allegations that he may have employed campaign funds for his own personal use while still a Congressman.

Over the week-end CBS reported that the FBI has begun to investigate the President's relationship with two maritime unions which apparently gave him contributions between 1964 and 1974. To-day, the celebrated Washington Post team of Carl Bernstein and Bob Woodward, in their first story for some time, "an authoritative Government source" as saying that the allegations against Mr. Ford are "serious and significant."

The Post article quotes an official of one of the unions as confirming that several thousand dollars a year were given to Mr. Ford's local Republican Party specifically at his request. Records of both the unions and the local party have now been subpoenaed by Mr. Charles Ruff, the Watergate special prosecutor. The White House continues to refuse all comment on the issue but has been seeking to leave the impression that Mr. Ruff may be trying to embarrass the President for political reasons.

But Mr. Ruff is known to be an extremely careful man who has hitherto given no hint of any political bias, and Woodward and Bernstein quote one close lawyer friend of his as saying: "Knowing how careful he is I just cannot imagine that under these circumstances he would proceed without very good reason."

The refusal of the White House to comment at all on the allegations has not been well received by the host of reporters travelling with the President. They have become openly antagonistic to Mr. Ron Nessen, the President's Press Secretary, and there have been mutterings about Ron Ziegler—Mr. Nixon's Press Secretary who had such a difficult time during Watergate. Mr. Ford's staff dread above everything the emergence of any issue like this one which might, however obliquely, link Mr. Ford in the public mind with Watergate or tarnish the image of honesty and integrity which, up to now, has been his greatest asset.

The U.S. Presidential Election

Last night on the campaign aircraft Mr. Don Chenye, the President's chief of staff, said that the White House had not been in touch with Mr. Ruff about whether Mr. Ford was being investigated. To ask such a question, he told reporters, "would assume the question needs to be asked and I don't think it does." The fact remains that even confirmation by Mr. Ruff that the case if being investigated would seriously harm Mr. Ford, even if it is later found that there is no case to answer.

This problem apart, Mr. Ford appears still to be having the best of the campaign at the moment. His week-end of campaigning in the South passed off well enough and his staff are claiming that he is now within an acé of overtaking Mr. Carter in Mississippi and Alabama, two deep South States in what is supposed to be Carter territory.

Meanwhile the latest New York Times-CBS poll shows that the President is now picking up support among key independent voters far faster than Mr. Carter and that he is continuing to eat up what was once thought to be the impregnable Democratic lead. The poll, which concentrates most of its attention on voters' attitudes, and has been a good guide in the past, says that 37 per cent. of those who watched the first debate thought Mr. Ford won and 24 per cent. gave the edge to Mr. Carter. Thirty-nine per cent., however, thought it was a draw. Contrary to the widespread impression that most viewers were bored by the debate, the poll says that full 75 per cent. of those questioned found it extremely interesting.

The poll indicates that Mr. Carter is still well ahead in the South and is less far ahead in the eastern states, but that in the Midwest—where the outcome could be decided—he is now running neck and neck with the President who is in turn ahead in some western states, although not, apparently, California. More serious for Mr. Carter, a majority of voters are still not sure what to make of him despite all his campaigning and advertising.

But the poll is not all gloom for Mr. Carter; 93 per cent. of those asked said that they were unaffected by the Playboy interview which last week attracted so much attention. And twice as many people consider that Mr. Carter "cares about people like me" than think the same about Mr. Ford. The Democratic candidate is also considered more sincere, more intelligent and "more comfortable to be with" than the President. More people also agree with him than with Mr. Ford on "the issues."

Large U.S. trade deficit

By Our Own Correspondent

WASHINGTON, Sept. 27.

THE UNITED STATES last month recorded the third largest trade deficit in its history as both imports and exports fell slightly.

Last month imports exceeded exports on a seasonally adjusted basis by $757.7m., an amount exceeded this year only by the July figure of $827.1m. and by the record $887.1m. deficit in August, 1974. Import of petroleum products continued to rise, but by less than usual for August and the Commerce Department said that, seasonally adjusted, this amounted to a very slight drop.

Exports in August fell by just over $300m. to $9.7bn. while imports fell about $400m. to $10.5bn. For the first eight months of the year U.S. trade was in deficit by more than $2.6bn. and compared with the first eight months of last year exports were up 5 per cent. while imports climbed 22 per cent. In the past four months, however, imports were 9 per cent. higher than for the comparable period of last year.

The size of the trade deficit, while rather larger than expected, does not come as a surprise to the Administration, which argues that because the American economic recovery has outpaced that of other industrialised nations there is bound to be a lag in American exports until they can catch up.

The Commerce Department also notes that, despite a small rise last month in food exports, overall grain shipments are not likely to be as high this year as last when a poor Soviet harvest greatly increased demand for U.S. agricultural products. This in turn is likely to be reflected in the export figures in the coming months.

AP-DJ adds from New York: Machine-tool orders rose substantially in August, the sixth rise in the past eight months. Industry executives are generally optimistic about further improvement in coming months.

Several officials cautioned, however, that the 11 per cent. increase from July may have overstated the trend. August orders for machines that cut and form metal parts totalled $203.8m., up from $183.3m. in July and nearly doube the $102.8m. in August, 1975, according to the National Machine Tool Builders Association.

Orders for lathes, grinders, milling machines, machining centres, boring mills, gear cutters and other machines that shape metal by cutting rose 17 per cent. to $148.3m. from July's $126.3m. and more than doubled August, 1975's, $72.8m., the trade group said.

Last month's orders for presses and other machines to form metal parts with pressure declined slightly, however, to $55.6m. from $57m. in July. The August level was up 86 per cent. from the depressed year-earlier level.

Air disaster lawsuits settled

Settlements in two-thirds of the lawsuits resulting from deaths in the world's worst air disaster have been tentatively concluded in U.S. federal court in Los Angeles, AP-DJ reports.

A total of 346 persons were killed in the crash of a DC-10 jet near Paris on March 3, 1974. Since then, nearly $640m. has been demanded in more than 300 lawsuits filed on behalf of 1,283 dependants of victims in the crash.

The suits sought damages from McDonnell Douglas Corp., General Dynamics Corporation and Turkish Airlines. McDonnell Douglas built the aircraft and General Dynamics built the fuselage and doors under a subcontract.

Attorneys for the defendant companies and the plaintiffs have reported to Judge Peirson Hall that through a series of arbitration meetings, 206 of the suits have reached settlement for an estimated $35m.

Columnist sues Nixon

Lawyers for newspaper columnist Jack Anderson yesterday filed a $22m. suit against former President Richard Nixon and senior aides, accusing them of engaging in a massive conspiracy to discredit and possibly murder him, Reuter reports from Washington. The suit alleged that the Nixon White House, using Government agencies, launched an effort to harass Mr. Anderson to prevent him from gathering information embarrassing to the Nixon administration. Those named in the suit include Dr. Henry Kissinger.

Mexican prices up

A price increase of 10 per cent. on a wide spectrum of consumer goods and services went into effect yesterday as part of the Mexican Government's economic adjustment to the August 31 peso devaluation, AP-DJ reports from Mexico City. At the same time, a price freeze was placed on many categories of goods and services.

Bribery denial

The Swedish telecommunications company L. M. Ericsson has taken space in Mexican newspapers to deny Press reports that it had bribed officials in the country, Reuter reports from Mexico City.

Trawler arrested

The U.S. Coastguard seized a 274-foot Bulgarian fishing trawler yesterday for allegedly fishing inside the 12-mile limit south of Coos Bay on the Oregon coast, UPI reports from Seattle. The vessel was escorted by the Coastguard cutter Venturous to Coos Bay where the case was to be turned over to the U.S. Marshal's Office.

Hopes for agreement in Ford car workers' strike

BY OUR OWN CORRESPONDENT

NEW YORK, Sept. 27.

THE BROAD outlines of an agreement in the U.S. car workers dispute with Ford Motor Corporation could be reached during this week as a result of progress made in the talks over the weekend.

Mr. Ken Bannon, the United Auto Workers (UAW) union's vice-president responsible for Ford said late on Sunday that "some progress is being made in the talks" and Mr. Leonard Woodcock, the UAW President, stated that the union is working towards a relatively early settlement.

Although progress is being made, it is conceded that even if a new obstacle to an agreement does not emerge it could be two or three weeks from the announcement of an agreement to the writing of the detailed final contract which would enable the 1,170,000 striking Ford workers to return to work.

A settlement at Ford, however would set a pattern for a new contract for the industry and lead to new contract agreements at General Motors and Chrysler which have not been struck by the UAW.

It is understood that the two bargaining teams have moved nearer on one key issue—the increase in time off the job which the union has been demanding in order to create greater job security.

Ford appears to be willing to concede some increase in the number of paid days off but is baulking at the 12 extra days off which the union is demandng.

Trudeau policies attacked

BY VICTOR MACKIE

OTTAWA, Sept. 27.

MR. JOE CLARK, leader of the Progressive Conservatives and official opposition leader, has launched an attack on the liberal Government's controls programme. He said that the Government should be preparing to end rather than tighten anti-inflation controls.

The controls programme is overemphasising curbs on profits instead of prices, Mr. Clark told the Canadian Chamber of Commerce meeting in Montreal in his first major speech since his return to Canada from a 17-day European tour. "I know of no body of evidence to support the proposition that profits are themselves inflationary," he said. "In fact, in that the profit motive generally is an incentive to efficiency and productivity, profits are clearly deflationary."

Meanwhile, Mr. Gerald Bouey, Governor of the Bank of Canada, said here that there was a growing awareness of the part of Canadians that the tide of inflation in Canada has "definitely turned and is now receding."

Andean Pact Chile offer

CALI, Colombia, Sept. 27.

CHILE has been offered a leave of absence from the six-nation Andean Pact if it joins the other members in signing an agreement for implementing the shaky regional common market. The decision was reached in this south western Colombian town at the end of a two-day meeting by Chile's partners in the Pact.

Chile refrained last month from signing the protocol which postpones for two years joint industrial programmes and the enforcement of tariffs to extra-regional imports. It had objected to the entire Pact instruments as excessively restrictive and against its own development plans of a free enterprise model. The deadline originally set for the signing is October 3.

AP-DJ

Compromise on Foreign Aid Bill

WASHINGTON, Sept. 27.

THE HOUSE of Representatives to-day approved a $5.1bn. compromise Foreign Aid Appropriations Bill with one-third of it going to Israel for military and security assistance.

The measure was passed on a 216-155 vote and sent to the Senate for expected final Congressional approval. The Administration has said that it supports the money measure which is $684m. less than President Ford requested.

The Bill allots $1.1bn. in economic assistance abroad, $982.4m. for the Peace Corps and certain refugee programmes, $192m. for the Agency for International Development and the rest of the nearly $3bn. for military and security assistance.

UPI

Scranton 'not interested' in Kissinger's job

By Our Own Correspondent

UNITED NATIONS, Sept. 27.

MR. WILLIAM SCRANTON, the chief American delegate to the United Nations, who has often been mentioned as a possible successor to Dr. Henry Kissinger as Secretary of State, to-day emphatically denied any interest in the post.

Replying to a report in the he was "eager" to take over from Dr. Kissinger if President Ford wins in November, Mr. Scranton said that he was "not at all interested in becoming Secretary of State—ever."

He said that the news report contained "not an iota of truth." Mr. Scranton praised the brilliance and skill of Dr. Kissinger, as one of the most effective Secretaries of State, and perhaps the most effective, in American history. He said that he hoped and wished Dr. Kissinger would continue to serve in the same capacity.

STOCK EXCHANGES

Dealers in talks to form national market

BY JAY PALMER

NEW YORK, Sept. 27.

SENIOR executives of America's largest stock exchanges and dealer networks are meeting in Chicago to-day in an attempt to thrash out a common policy for the creation of a national U.S. securities market.

While similar meetings have been held in the past over different issues, this is believed to be the first time that the competing exchanges have agreed to discuss the sensitive issue of a national market.

Over the past six months or so, moves by both Congressional committees and the Securities and Exchange Commission have made it clear that Washington will shortly be once again moving into this area. The industry for its part is eager to keep the building of a national market in its own hands.

To-day's meeting, hosted by the Securities Industry Association (SIA), will be attended by representatives from the New York, American, Pacific, Midwest and PBW stock exchanges. The National Association of Securities Dealers, which policies the over-the-counter market, will also be there.

An SIA spokesman this morning confirmed that the main aim of this one-day meeting will be the immediate creation of joint-committees to study specific problems of policy, finance and actual operational difficulties. These study groups will be directed to identify specific problem areas and recommend solutions.

Over the last couple of years, some SEC-inspired progress towards the creation of a central market has been made. The most obvious example is the successful implementation of a consolidated ticker system which carries share price quotes and trading volume data on all NYSE and Amex stocks regardless of where the trade actually occurred.

However, the two other main legs of the central market system are still in the design stage and it is these that are likely to make up the agenda in Chicago. The existing consolidated quote system, carrying bid and ask prices, is less than perfect and there is likely to be some discussion as to how these quotes can be improved to a degree where they actually provide a firm basis for dealing.

The other problem revolves around the need for a consolidated limit order book where dealers on one exchange can enter into some common electronic system a buy-or-sell instruction to be traded when prices fall into line with customers' instructions. Various answers have been proposed but most have been rejected either on the grounds of cost or trading inadequacies or limitations.

Reuter adds from Washington: The Securities and Exchange Commission gave tentative approval to the proposal of the National Association of Securities Dealers to make markets in both options and the underlying securities. SEC chairman Roderick Hills said that such a programme would be consistent with the Securities Exchange Act of 1934.

WORLD TRADE NEWS

Top Japanese mission to visit U.K

BY CHARLES SMITH

TOKYO, Sept. 27.

THE MOST high-powered Japanese business delegation to visit London for the past five years will be arriving in London in the middle of next month at the start of a four-country European tour.

The delegation represents the Keidanren (Federation of Economic Organisations) which is the rough equivalent in Japan of the Confederation of British Industry, but is generally thought to exercise much greater influence than the CBI on Government decisions.

The leader of the mission will be the Keidanren's 80-year-old president Mr. Toshiwo Doko. Apart from Mr. Doko, the twelve-man mission will include four of the Keidanren's eight vice-presidents and three chairmen of standing committees. Other members of the mission who are individually well known include Mr. Yoshizo Ikeda, president of Mitsui, the second biggest of Japan's giant trading concerns and Mr. Norishige Hasegawa, president of Sumitomo Chemical, Japan's largest chemical company.

Keidanren last sent a mission of its top leaders to Europe in the autumn of 1971, two months after Japan was forced to revalue the yen under pressure from the U.S. This year's mission is likely to be overwhelmingly concerned with bilateral trade problems between Japan and Europe, but the Keidanren originally had other topics uppermost in mind when the visit was planned.

Japanese business leaders have been watching political and social developments in Europe with keen interest during the past two years and Mr. Doko is understood to be anxious to get a first hand view of recent events. Japanese businessmen feel that the advance of Communist parties in France, Italy and Portugal may not necessarily parallel future political developments in Japan, but could still reflect underlying "post-industrial" trends which will appear in Japan as well.

The Keidanren is also interested in the workers' participation movement in Europe which it feels may catch on in Japan. Part of its concern was born of the experience of being virtually placed under siege by union demonstrators during the 1974 spring "wage offensives" in Japan.

In the aftermath of the 1974 wage offensive and throughout last year the Keidanren had its hands too full of domestic economic problems to be able to plan high level overseas missions. This situation, however, began to change early in 1976 when signs of domestic economic recovery began to appear. In addition, the Keidanren has received a string of visits during 1976 from European business confederations.

The French "Patronat" sent a delegation headed by its president to Japan in February. The CBI and the West German business confederation both visited Tokyo in April and a Danish mission came in June. Keidanren leaders say that all four of these missions forcibly expressed their views about the trade imbalance between Japan and Europe—the full urgency of which had evidently not been grasped before their arrival.

The Keidanren takes the view that the Japan-EEC trade gap (which EEC sources claim may reach $4bn. this year) is part cyclical and part structural, but mainly the latter. The problem is ascribed to a difference between the export competitivity of Japanese goods in Europe and European goods in Japan with the Europeans having, according to the Keidanren view, very much the worst of the comparison.

Keidanren says it wants to consider this problem in depth and is apparently hoping that its hosts in Europe will be specific. The mission will be ready to handle detailed complaints and arguments about such matters as dumping, administrative controls, non-tariff barriers, etc. It expects that issues like this may be raised particularly at the open forum which the CBI is planning during one of its three sessions with the Keidanren.

The Keidanren leaders say they are not expecting to negotiate agreements for voluntary export control by individual industries during their European tour because this is regarded as being a matter for industry-by-industry negotiation. However, the mission is getting briefs from all the major Japanese industries which regard themselves as having problems in European export markets.

Apart from discussion of two-way trade problems, the Keidanren leaders hope to discuss areas of mutual interest, including plant exports to the third countries. Japan would like to increase the number of cases in which Japanese prime contractors for plant contracts subcontract large parts of a contract to European companies (or vice versa). Japan also wants to Europe to agree not to acce some conditions currently bei thrust upon plant exporters customers in the Middle East in the Communist world. T Japanese are disturbed by creasing Arab demands for ba financing of plant exports wh they believe have only be successful because of excess competition between Europe and Japanese exporters. Th also dislike the "compensati formula" introduced into so recent plant contracts by Co munist countries. This is a w of forcing an exporter to b from the customer country goo roughly equal in value to plant export.

The Keidanren mission arriv in London on October 15 a leaves again for West Germa on October 20. It will also visiting France and Denma before returning to Japan October 30.

Mitsubishi-Chrysler cooperatio

TOKYO, Sept. 27.

MITSUBISHI MOTORS said it has reached an agreement with Chrysler to boost Mitsubishi's small car sales on Chrysler's European and U.S. networks.

[Chrysler U.S. said in Detroit this afternoon that there was no new agreement recently signed with Mitsubishi, writes Jay Palmer from New York. Noting that Chrysler has long marketed Mitsubishi's small cars in the U.S. and Puerto Rico, a spokesman stressed that Chrysler had not and would not be marketing these same cars overseas.]

Under a capital and business link-up agreement Chrysler owns 15 per cent. of Mitsubishi and Mitsubishi cars are sold on Chrysler's network.

Mitsubishi declined to elaborate on the plan to boost sales but the Japanese cars—Dodge Colts and Plymouth Arrows—are currently selling at a monthly rate of 10,000 units in North America and in Europe sales reached a peak of 5,000 sets last month.

Mitsubishi said it reached agreement with Chrysler to start assembly of Mitsubishi trucks and buses at Chrysler's Colombia factory from next year. They plan to assemble about 40 to 50 vehicles a month, it said.

Mitsubishi trucks are currently assembled, utilising Chrysler's facilities in Australia, New Zealand and South Africa.

Reuter

Terry Dodsworth writes: Distribution of Mitsubishi cars in Europe, marketed under the Colt name, has so far been left in the hands of independent franchises. In the U.K., for example, Colt is handled by a company 51 p cent. owned by local interest and 49 per cent. by Mitsubishi.

It is understood that in t original deal which ga Chrysler Corporation of the U its stake in Mitsubishi, t Japanese company reserved t right to market Colt products markets outside America. In th U.S. the cars go through t Chrysler dealer network.

So far it is not at all cle how the new arrangements w affect European distributio Mitsubishi has already appointe distributors in Holland, Belgiu and Finland and these are b lieved to be working on reaso ably long-term contracts. Th Japanese company is also know to have been interested in esta lishing franchises in France an Germany as well.

N. Zealand market under attack

FINANCIAL TIMES REPORTER

THE NEW Zealand car market, an important export outlet for the British motor industry, is under increasing attack from Japanese manufacturers.

The Japanese have a severe duty disadvantage in New Zealand (the duty on unassembled vehicles from Britain and Australia is 6.25 per cent., against 45 per cent. for the rest of the world) and the Yen has been hardening while sterling has lost ground. Despite these handicaps the Japanese have been able to price their cars competitively.

NEW ZEALAND CAR MARKET
January to June

	1975 Units	1975 %	1976 Units	1976 %
Leyland	7,700	21.9	5,871	18.
Ford	6,643	18.9	5,810	18.5
Chrysler/Mitsubishi	5,790	16.5	4,521	14.
GM	5,769	16.4	3,745	11.
Datsun	2,762	7.9	3,718	11.
Toyota	2,246	6.4	3,135	10.
Mazda	1,967	5.6	1,850	5.
Honda	—	—	1,073	3.
Others	2,260	6.4	1,636	5.
TOTAL	35,137	100.0	31,359	100.

The four British-based suppliers—Leyland, Ford, General Motors and Chrysler—have traditionally dominated the market, partly because of the preferential tariff and partly because of their efficient assembly operations. However, the Japanese have been making arrangements with local suppliers to increase the availability of their products.

New Zealand Motor Corporation, for example, the Leyland assembler and distributor, has taken on the Honda franchise. The Honda Civic was launched earlier this year and in the month of July achieved a market penetration of just over 7 per cent.

Reliable deliveries, strong manufacturer support and con petitive specification and pric are regarded as the main factor behind the Japanese advance.

The market as a whole ha been reduced this year as a re sult of the Government's ant inflation measures. Car sales i 1976 are expected to total aroun 65,000, compared with 94,000 i 1974 and 79,000 in 1975.

Finland delays jet trainer choice

HELSINKI, Sept. 27.

FINLAND'S plane transaction of the century will be postponed by at least a month or two because the Government which was to allocate money to the 50 to 100 jet trainers collapsed, outgoing Minister of Defence, Mr. Ingvar Melin, said to-day.

The Government was to decide on the purchase of the jet trainers which will replace outdated French Fouga Magisters in September, but the five-party coalition fell in a dispute over economic policies ten days ago. According to the latest information there are still four major competitors bidding to win the deal which could amount to 1bn. marks ($250m.).

AP-DJ

French rolling stock contract

By Rhys David

THE FRENCH rail authorities, who are undertaking a major upgrading of transport links in the Paris area, have awarded a third contract for the supply of aluminium rolling-stock to a Franco-Swiss partnership consisting of Societe Franco-Belge de Materiel de Chemins de Fer, and Alusuisse.

The latest contract worth Frs.1.5bn. (£178m.), is for 750 aluminium coaches to provide new links between the Paris Metro system and the French state railway line. To be known as Interconnexion, the link will join the Gare du Nord to the Gare de Lyon in a north-south direction, and then connect this line in turn with one of the Metro lines running east-west.

Bleu deficit narrows

BRUSSELS, Sept. 27.

THE BELGO-Luxembourg Economic Union (Bleu) had a July trade deficit of Frs.B.3.975bn., down from a June deficit of Frs.B.5.073bn., according to preliminary July results of the National Institute of Statistics (NIS)) published to-day.

Polish line of credit

Lloyds Bank International and Bank-Handlowy w Warszawie S.A. have arranged a £10m. line of credit to finance contracts placed in the U.K. by buyers in Poland for the supply of plant and equipment. The credit is guaranteed by Export Credits Guarantee Department. The period of credit will be from 2-5 years depending on the value of the contract placed.

No Saudi oil embargo on the US

BY DAVID BELL IN WASHINGTON AND JAMES BUXTON IN LONDON

SAUDI ARABIA does not intend to impose an oil embargo on the U.S. if Congress passes legislation which would make compliance with the Arab boycott of Israel illegal, Mr. Gerald Parsky, the U.S. Assistant Treasury Secretary, said that the Saudis had told the U.S. Government that they did not "consider an embargo as a policy option."

Meanwhile the Kuwaiti Finance Minister Mr. Abdul-Rahman al-Atiqi, said in Kuwait yesterday that his country was firmly behind Saudi Arabia in its opposition to the proposed U.S. legislation and believed that this was the position of all other Arab countries. But he refused to specify what action Kuwait would take.

If the anti-boycott legislation were passed, American companies would be prohibited from giving any information which would further the boycott of Israel. Since all purchasers of Saudi oil must sign an undertaking that it is not bound for Israel this legislation would bring the U.S. oil companies into immediate conflict with the Saudi Government. According to Mr. Parsky it would be "impossible" for U.S. oil companies to do business in Saudi Arabia and all Saudi oil would have to be shipped in non-American tankers.

Meanwhile, in an unexplained but possibly related move, Sen. John Sprakman, the chairman of the Senate Foreign Relations Committee, unexpectedly referred back to his committee for further consideration a resolution which opposes the sale of 650 Maverick missiles to to the Saudis. This resolution, which is known to have greatly irritated the Saudi Government, was narrowly passed last week by the Committee.

The boycott issue poses serious political problems for President Ford. He already has before him one measure—added on to the Tax Bill—which would sharply reduce foreign tax concessions for U.S. companies complying with the boycott. He is loath to veto the whole Bill but the Administration is firm opposed to this piece of legisl tion.

The second measure—whic has apparently led to threats a possible Saudi oil embargo— still before a joint conferenc of the House and the Senate a would bar U.S. companies fro complying in any way with th boycott. It is attached to th export administration act, routine Bill under which th Government currently monitor compliance with the boycot Such compliance is not, at th moment, against the law.

Banks boycott compliance

BY OUR OWN CORRESPONDENT

WASHINGTON, Sept. 27.

MAJOR AMERICAN banks have consistenly complied with the Arab Boycott of Israel despite the fact that refusal to do so would probably have cost them very little business, Republican Benjamin Rosenthal claimed to-day at a news confertnce.

Mr. Rosenthal, chairman of the House Sub-committee on Commerce, Consumer and Monetary Affairs, released a detailed report on some 14 banks and their compliance with the boycott. The fact that they have complied with the boycott has been known for some time and they have always claimed that they were acting as agents either for U.S. companies or Arab importers and that they have done nothing illegal. Two banks are currently being sued by Jewish organisations for this compliance.

The sub-committee report—based on data turned over b the Commerce Department—sa that the 14 banks received—an acceded to—over 18,000 reques "to participate in boyco restrictions against U.S. co panies." He said that the involved letters of credit f more than $1bn. worth business.

But, Mr. Rosenthal claime two banks which had refused accede to the boycott had succes fully forced the removal of bo cott restrictions in ma instances. Morgan Guaranty, said, had refused to process letters of credit containing bo cott clauses and in 23 out of cases these clauses had bee removed. Irving Trust had al recently turned down 55 lette of credit with similar restrictio and of these 39 were la amended and 16 cancelled.

Halt in W. German expansion

BY GUY HAWTIN

FRANKFURT, Sept. 27.

THE SURGE in West German domestic demand for motor cars has not been matched by the industry's performance in the export markets. It is unlikely, therefore, that there will be any major investment in increased production capacity until overseas sales show clear signs of a continued improvement.

This was the message from Dr. Johann Heinrich von Bruno, president of the Verband der Automobilindustrie (VDA), the West German motor industry association, this week-end. He told members at the annual meeting that production capacity would be increased only when it was plain that there was long-term potential for it being utilised. Car production in the current year will obviously be much higher than in 1975 but it will still be between 200,000 and 250,000 units below the 3.95m. units produced in the record year of 1973.

The decline is a direct result of the industry's weakening position in overseas markets—particularly the U.S., where Volkswagen, the leading West German exporter, has been doing very badly indeed. Export sales this year are expected to be a full 400,000 units below the 1973 level.

At home the situation is far more satisfactory. The Deutsche Institut fuer Wirtschaftsforschung, one of the country's leading economic research institutes, predicted that the figure of 326 cars for every 1,000 residents would first be reached by 1980. However, it now seems that this figure will be reache by the end of the current year.

Naturally, motor car price have continued upwards, but th VDA believes that this has n had any great impact on deman It points out that between 197 and 1975 (inclusive) the feder railways' fares increased by som 61 per cent., while other publ transport costs had gone up b 53 per cent. In contrast ca prices during the period ha risen only 30 per cent.

Motor manufacturers, how ever, appear concerned abou swiftly declining profit margin Since 1969, average profitabilit has declined from 5.8 per cen of turnover to only 1.7 per cen last year. At the same time, should be pointed out that turn overs have vastly increased.

HOME NEWS

Mason wants priority given :o Ulster's economic ills

OUR BELFAST CORRESPONDENT

ιITY attention to the ms of Ulster's economy romised yesterday by Mr. Aason, the new Northern d Secretary. Speaking in t in his first significant statement since he took the Ulster job from Mr. n Rees, he said the nic problems outweighed of politics and security.

rt from identifying the ail- economy as the biggest nge facing his administra- however, Mr. Mason nced no major changes in nment policy.

re was little comfort for st politicians who had looking to the former ce Secretary for a tougher ach to terrorism.

Mason went some way to ring the constant Con- ive pressure on the Gov- nt when he maintained that the Provisional IRA was "reeling" and "losing the propaganda war."

The only fresh initiative that could be expected in the near future, he made clear, would be on the economic front.

He did not specify new measures but he is known to have been studying the recommendations of the economic strategy review body which, at the instigation of Mr. Rees, had made a thorough study of possible changes which could be made to slow the accelerating decline.

Mr. Mason will chair a meeting of the Northern Ireland Economic Council next month when he is expected to outline the Government's plan, and to seek better co-operation between the Government, employers and trade unions.

With unemployment as high as 29 per cent. in some towns, Mr. Mason said, there was a danger of the social fabric collasping in these areas.

The new Secretary of State injected a note of optimism into his first major pronouncement. There were glimmerings of hope —he could put it no stronger— in recent weeks.

The women's peace movement was one. The "better life for all" campaign of the trade unions was another. He thought Ulster people could see hope in the better cross border co-operation between the police forces and the new anti-terrorist legislation in the Irish Republic.

The Royal Ulster Constabulary, through its regional crime squads, was having considerable success in taking terrorists off the streets and putting them behind bars, not as political martyrs but as criminals.

As expected, the Government is to continue direct rule from Westminister in the absence of any serious initiative towards a political settlement in the province. But it will not drop its support for ultimate devolution.

Mr. Mason did promise, however, that he and the four ministers at the Northern Ireland Office would do their best to improve the direct governing of the province. They would spend more time at Stormont Castle to deal with problems "at grass roots level."

In Belfast the RUC said it had charged 23 people with offences arising out of recent protests by the Ulster Defence Association against alleged brutality. More charges are expected.

Building industry orders up in July

By Michael Cassell, Building Correspondent

ORDERS for the construction industry turned upwards in July, although the overall trend remains far from encouraging.

Provisional statistics issued by the Department of the Environment yesterday show that the value of work won by contractors in Britain during July was an estimated £666m., at constant prices, against £594m. the previous month. In July last year, orders worth £640m. were received.

The department says that, when expressed in constant price terms, the construction sector's orders for the three months ending in July showed a 13 per cent. reduction on the preceding quarter, although they did show a 5 per cent. increase over the same period a year earlier.

The figures tend to confirm that total construction output next year will again fall back after the projected 2 per cent. decline for 1976. A marginal reduction in output of new work in 1977 is also expected to be followed by another bad year in 1978.

In July, new orders in the housing sector were provisionally valued at £309m. at present prices, an increase of £77m. over the June figure.

There was an upturn in ordering in the private and public sectors compared with the previous month, although the increases only restored the ordering situation which existed earlier in the year.

In the latest May-July period, new council housing orders were 15 per cent. down on the previous three months, but 12 per cent. up on the same period a year earlier.

Private housing orders in May-July were up by 1 per cent over the previous quarter, and 27 per cent. better than in the same three months of 1975.

New public works orders registered a decrease of 37 per cent. in the May-July period compared with the previous three months.

● NEWS ANALYSIS — FIRE PROTECTION

Hot sprinkler market

BY IAN HARGREAVES

IT IS NOT EASY to put a figure on the current value of the world market in fire protection systems—£1bn. a year was mentioned as "a conservative estimate" in the industry yesterday —but it is certainly this market at which the Wormald-Mather and Platt merger is aimed.

The U.K. market, stimulated by fierce pressures on high-risk industries such as plastics from the insurance companies in the early 1970s has in more recent times been levelled out by the recession in the building industry.

Although there have been important expansions in the U.K. market, for example in fire protection systems for North Sea oil installations—Mather and Platt has been particularly successful here—the international scene is clearly the one which offers the best opportunity for development.

Expertise

Mr. John Utz, managing director of the Australian-based company Wormald, said yesterday that the bringing together of his own company's expertise in the design and manufacture of fire detection and security systems and Mather and Platt's ability in design and manufacture of automatic sprinkler systems, would make the merged company technically unassailable in world markets.

Mr. Utz mentioned a particular interest in penetrating the U.S. market which like those of Japan and to some extent Australia, has the benefit of more rigorous statutory demands on the builders of blocks, flats and public buildings to guard against fire risk.

Mr. H. C. Smith, managing director of Mather and Platt, said the Middle East was a particularly fruitful export area in fire protection. Saudi Arabia's airport building programme was a particularly significant development, he added, but the general level of industrial building would give the companies wide opportunities.

Fire protection is an industry where shifts in statutory requirements on fire safety must be studied with care. The pace of market expansion is rarely dramatic in world wide terms, but a shift at national or even local level can transform a market rapidly. Recently laws in Japan and the Emirates are for this reason the subject of close study by the industry.

A glance at the history of Wormald, which adopted the suffix "international" in 1972,

TOTAL ESTIMATED COST OF DAMAGE BY FIRES (Excluding cost of consequential production losses)

	£m.
1965	74
1966	79.9
1967	86.8
1968	98.7
1969	117.3
1970	106.6
1971	106.1
1972	108.5
1973	179.3
1974	237
1975	212.7

Source: British Insurance Association.

confirms this shift from national to worldwide focus within the industry.

Likewise, Mather and Platt, which still carries the family firm image, last year split its turnover between five continents, with an Australasian commitment of 11.8 per cent. behind a European share of 25.9 and a U.K. figure of 37.4 per cent. Wormald has interests in South-East Asia, New Zealand, Europe and South Africa, although Australian operations still account for 80 per cent. of profits.

Not that Mather and Platt has any intention of relinquishing what its competitors take to be at least a 30 per cent. share of the U.K. market. The company hopes, as does the industry, that the trend towards higher fire safety standards in other parts of the world will influence the U.K.

Estimates of the degree of penetration of the U.K. market vary widely, but certainly no more than 20 per cent. of our offices and industrial premises have the defence of a sprinkler system

Recovered

The oldest friend of the U.K. industry is the insurance fraternity, whose well-publicised statistics on the cost of fire are used as the basis for pressures on industrial insurance premiums where adequate safety systems are not deemed to be in operation.

Recent figures from the insurers serve to demonstrate that the capital cost of installing automatic detection and sprinkler systems can be recovered by a company through savings on premiums within three to five years. The costs can be covered even more quickly in development and special development areas, where Government grants are available to further offset installation costs.

The only drawback in this close relationship between the fire protection industry and insurance—if drawback it be—is the generation of a conservative spirit about technological innovation. Insurance companies are willing to reduce premiums only in the case where well-proven systems are used.

Jenkins to meet printers

MR. ROY JENKINS is to be chief guest of the London Printing Industries Association at a lunch at the Mansion House on Thursday to celebrate 500 years of London printing.

A number of other activities have been arranged by the association, representing over 600 companies to mark the establishment of Caxton's press. To-morrow the Post Office is issuing a series of commemorative stamps.

;SC starts p damaged ırnace fter repair

Roy Hodson

: British Steel Corporation night successfully restarted No. 3 blast furnace at Llanwern works in New-, South Wales, after rgency repairs.

It has been 'blown-in' l within the time limit," l a BSC spokesman last ıt. During the 20-day shut-n as a result of technical ure the body of the furnace, d with a mixture of coke iron ore, has been cooling dually. Had it cooled below certain temperature, the rge would have solidified.

low BSC expects the furnace be in full production again hin two weeks enabling the ınwern rolling mills to use el made at the works once in. During the closure, ich hit BSC in a crucial tor of its production, the nwern rolling mills have en using steel from Port lbot and some imported el.

A new refractory lining has en sprayed on to the maged interior of the blast s pipe leading to the furnace. ımage to the lining resulted "hot spots" appearing on e outside of the pipe.

Refractory

As a result of the repairs, ıe corporation is hoping that ıe £27m. plant—which was rought into production earer this year after a year's elay caused by a dispute with e blastfurnacemen's union er-manning levels—can last further three years and comete its normal life-cycle fore a full re-lining is quired.

Much will depend on techni; reports being drawn up by C, Davy-Ashmore, the comny responsible for the main sign and construction, and dier-Werke, the German ıker of the refractory bricks. Before the shut-down iron tput from the new furnace d reached some 4,000 tonnes day in the build-up towards : furnace's rated capacity of 00 tonnes a day. It is hoped at output can be built up ain fairly quickly to the 00 tonnes level and that the rnace will get back on to its earning curve" towards the gher target.

The closure has meant, vertheless, the loss of about 000 tonnes of badly-needed n by the corporation.

The cost of the Llanwern ture is unlikely to be known full until the technical ports have been studied

:ar imports ɩeep 40% share ɔf market

y Terry Dodsworth

R IMPORTERS are maintain- their grip on U.K. sales this nth.

n the first 20 days of Septem-, they hung on to the 40 per ıt. market share they achieved month, despite a fall in over- demand to about 67,000 units. The high import level is partly ounted for by Ford's continu- problems following plant ırganisation for its new dels at Dagenham. The comny took only a 17 per cent. re against 30 per cent. earlier the year, while Leyland ded the list with 31 per cent. Chrysler had about 7 per cent. the market, and Vauxhall 8.2 r cent.—both of these figures ntain an element of imports so counted in the 40 per cent. port figure.

After the strong showing of e market in September, sales ve droppped back disappoint-gly against 83,000 units gistered in the first 20 days of 75.

Cruise prize for saving

TWO-WEEK cruise for two ven by Chandris, is the first ze in a National Savings comtition opened in the City sterday. It comes as the ational Savings voluntary ovement is considering its ture in the light of the recent vernment decision to withaw support of civil servants as rt of the public expenditure ıts.

Five of the six William Tyndale Junior School teachers who yesterday failed to obtain a High Court injunction. They are (left to right): Miss Sheila Green, Mr. Brian Haddow, Mr. Terry Ellis, Mrs. Jacqueline McWhirter and Mrs. Dorothy McColgan.

Tyndale six fail to win injunction

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SIX LONDON teachers, suspended for nearly a year from the William Tyndale junior school in Islington, yesterday failed in their attempt to obtain a High Court injunction barring the hearing of disciplinary charges against them.

As a result, the hearing will start privately in London tomorrow with the six — Mr. Terry Ellis, the junior school head-teacher Mr. Brian Haddow, Mrs. Dorothy McColgan, Mrs. Jackie McWhirter, Mr. Stephen Felton and Miss Sheila Green—facing various allegations of misconduct and inefficiency.

The teachers had applied for the injunction mainly on grounds alleging that the disciplinary hearing would be biased against their case.

One objection was against Mr. Michael Howard, the barrister named by the Inner London Education Authority (ILEA) as chairman of the five-member disciplinary body.

Mr. Stephen Sedley, for the six teachers, told Mr. Justice Pain that Mr. Howard came from the same chambers as Mr. Robin Auld QC, who conducted last winter's public inquiry into the junior school's troubles.

Mr. Auld's report, issued in July, criticised ILEA councillors and officials as well as the school's managers and staff, and led to the disciplinary charges.

Progressive

The teachers, who have consistently alleged themselves to be victims of a politcally inspired campaign by members of Islington Labour Party, also complained of Mr. Howard's political associations.

Mr. Sedley said Mr. Howard was a member of the Bow Group, affiliated to the Conservative Party which opposed the six teachers' views on progressive methods. He handed the judge a Bow Group pamphlet which eferred to schools with poor records for literacy as "William Tyndales."

The teachers' counsel also doubted the impartiality of a process which allowed the chief official of the ILEA not only to set up the disciplinary proceedings and effectively nominate two of the body's five members, but also to present the complaints against the staff.

Mr. Sedley said that the two-year-old staff code, under which the proceedings had been instituted, had not been drawn up with the idea of the chief officer acting as complainant.

"Because he has other roles to play in the tribunal, justice simply evaporates if he is allowed to complain," counsel added.

Impartial

For the ILEA, a written statement read to Mr. Justice Pain and prepared by Mr. Anthony De-Keyzer, head of the authority's branch dealing with complaints against teachers, stated that there was no reason to believe that Mr. Howard would be other than fully independent and impartial.

He was the only barrister on the ILEA's panel of chairmen for disciplinary bodies who had been available as chairman of the Tyndale hearing, and the authority did not concern itself with the political views of Mr. Howard or other members of the panel.

The authority also denied that it was improper for the chief officer to present the complaints, and was confident that he would put forward all the facts.

K Shoes to shed 500 jobs

BY DONALD MACLEAN

K SHOES is to close its factory in Northumberland Street, Norwich, with the loss of 350 jobs and make a further 165 of its workers in Cumbria, including its Kendal headquarters, redundant. The moves involve a reduction of about 10 per cent. in its total manufacturing labour force.

The news comes at a time when the shoe industry generally is in deep recession and its leaders pressing for urgent Government action to help it in the battle against cheap imports, a plea which received a partial answer yesterday with the announcement of import curbs on leather sandals from the Comecon bloc.

K Shoes accounts for about 3 per cent. of total U.K. shoe output. Its production is understood to have been running at a rate 14 to 15 per cent. below the peak it achieved in 1972-73, although the company said yesterday it was extending vigorously its retail activities and export sales.

Recession in the industry had been made worse by the flood of imports into the U.K. of cheap shoes, many at dumped prices.

The company's labour force has been reduced in the past 18 months to some extent by natural wastage; a further loss of staff in the same way is expected.

Export of K shoes in the first 11 months of its financial year, to end-September, were more than £2m. compared with £1.2m. a year ago. Two shops were opened in Holland last month.

More electrical safety standards

COMPULSORY safety standards for domestic electrical equipment in operation for manufacturers and importers since April 1 will apply to goods sold by wholesalers and retailers from next month. The standards deal with electrical safety—earthing, insulation, accessibility of live parts—and mechanical safety, fire and radiation hazards, accessibility of parts which get hot enough to cause injury and safety marking.

They are embodied in regulations made under the Consumer Protection Act 1961 and are enforced by trading standards officers. It is an offence under the Act for any persons to sell or possess for sale in the course of a business any goods, including second hand goods, which do not comply with prescribed safety requirements. Manufacturers, importers, wholesalers and retailers are liable to prosecution if they sell non-complying equipment.

HOME NEWS

Parker proclaims new transport commonwealth

BY PETER CARTWRIGHT

MR. PETER PARKER, British Rail's new chairman, yesterday adopted a new slogan for his job—"a new commonwealth of transport."

In a reference to the Government's transport consultative document currently being debated, he said we needed to redefine the role of the railways in the overall strategy and develop a new coherence.

Like other chairmen before him, he professed to "smell good business" in bulk freight movements for many years to come—up to a 50 per cent. increase.

Mr. Parker was formally opening Birmingham International, the £6m. station serving the National Exhibition Centre (to which it is linked by a covered bridge). Since it came into operation early in the year, the station has attracted receipts of £1m., in line with BR's targets.

The station also serves 50,000 people in the nearby satellite town of Chelmsley Wood, and an improved service—soon to be supplemented by bus links—has brought a 24 per cent. increase in passenger traffic.

This improvement is part of the strategy of achieving a common fares structure between buses and trains, in the West Midlands.

Local authority boundary changes have excluded two important areas, Redditch and part of Cannock, and yesterday Sir Stan Yapp, chairman of the Metropolitan County Council, strongly hinted that, despite the Prime Minister's statement that he would not be seeking a revision of boundaries, the executive would try to come to some arrangement with British Rail over extensions.

British Rail chairman Mr. Peter Parker about to board a London-bound train after visiting Birmingham International—BR's £6m. Inter-City station serving the National Exhibition Centre and in use since February.

Rugby row looms over cash from matches

By Stuart Alexander

A SHOWDOWN over outstanding payments due to England and Wales from the World Rugby League championship held in Australia and New Zealand in June, 1975, is expected at a meeting of the International Board to be held in London on October 21 and 22.

The Rugby Football League, which also covers Wales, has already refused to take part in the 1977 tournament and was promised the backing of France last week-end.

The dispute arises over money paid by the English league to support Australia's team during the second leg of the tournament in the country and France. Additionally, there is a claim on the common fund from turnstile receipts in Australasia. New Zealand has already paid its share and England claims to have made all the necessary payments to Australia.

The amounts involved are £6,000 for travel, hotels and kit and £5,000 of gate takings, some of which would be due to France. These figures have been disputed by Australia but it has been unanswered letters and claims of broken promises that have upset the English administrators.

Their threatened boycott of next year's championship, which will be held in Australia and New Zealand only, has become a matter of principle and the Australians have been told that without satisfaction the boycott will continue.

Boeing 747 Jumbo jets to fly the Atlantic from Manchester

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to introduce Boeing 747 Jumbo jet flights across the North Atlantic between Manchester and New York and Toronto from May 22 to meet growing demand for transatlantic flights from the Midlands and the North.

Jumbo jets will make three non-stop flights each way weekly between Manchester and New York, and four each way weekly between Manchester and Toronto. On other days, VC-10 jets will be used, helping to provide daily connections between the cities concerned.

The new services were announced when British Airways opened a new travel shop in Manchester yesterday. BA has had one of its best summers on the North Atlantic, largely through increased U.S. tourist traffic to Europe, especially to the U.K.

The declining value of the pound has made the U.K. a travel bargain for Americans, and many have taken advantage of it.

The third Concorde for British Airways, out of five on order, is likely to be delivered to-day. It was due yesterday, but a snag in the radio equipment had to be corrected. The fault came to light during final acceptance trials.

● British Midland Airways yesterday introduced the twin-engined U.S. Douglas DC-9 on the London-Teesside route—the first time this type of jet has been used on any U.K. internal route.

London-Teesside is BMA's busiest route, carrying over 110,000 passengers a year. It is expected that introducing the 90-seat twin-jet DC-9, will stimulate traffic growth by cutting flying time by 25 per cent.

Castle describes Callaghan as 'a bit of a male chauvinist'

MRS. BARBARA CASTLE describes the Prime Minister as "a bit of a male chauvinist," in her account of her sacking as Social Services Secretary.

"He is not one to give women opportunities," she says in the magazine Woman.

She was "coldly angry" at losing her job; she said, when he told her he wanted to reduce the age of the Cabinet. Mrs. Castle adds: "I longed to say, 'Well, in that case, why don't you start with yourself?'. For after all, he was 65, about the same age as I was."

On the night she was sacked, she "had a little blub," she says, at a party at the Ministry.

Mrs. Castle describes how she was called to number 10 Downing Street for the sacking and was shown into Mr. Callaghan's study. "Two minutes latter I knew the worst. 'I'm sorry but I need your job,' said Mr. Callaghan simply.

"I won't pretend I wasn't shattered. Bitterly disappointed too, for I'd already told Harold Wilson that I wanted in a short time to make way for someone younger. But first I wanted to see certain things I'd started go through Parliament."

Mrs. Castle says she was "numbed." Then Mr. Callaghan stood up and held out his hand "rather unhappily."

"'Wish me luck,' he said, almost pleadingly. 'Good luck,' I replied formally."

"I am curious as to why Jim has this blind spot about women politicians," she says. Mr. Callaghan had halved the number of women in the Cabinet.

"I wouldn't have minded, for instance, if he had said: 'Look Barbara, I'm sorry but you've got to go. I want to bring in a younger woman,' and then, say, brought back Judith Hart.

"I was surprised, for instance, to learn later that he hadn't used his reshuffle to give Shirley Williams a bigger ministerial job immediately.

"I couldn't understand why he left her in Prices where she hadn't got anywhere near enough scope for her undoubted talents."

Sir Harold Wilson is "more pro-woman than any other person I know," says Mrs. Castle, and adds: "Harold and I had a terrific rapport in his early years as Prime Minister."

When he made her first woman Minister of Transport, a job she did not want, he said: "I want a tiger in my tank, and your're my tiger, Barbara."

Gin and vodka gains on whisky

By Kenneth Gooding

THE HOT summer helped sa[illegible] of table wine, particula[illegible] sparkling wines, and also [illegible] according to the latest Custo[illegible] and Excise statistics.

Elsewhere in the wine a[illegible] spirit trade volume was do[illegible] while costs continued to ri[illegible] "The further depreciation [illegible] sterling raises yet another pr[illegible] lem which we will have to [illegible] cuss with the Treasury," [illegible] Wine and Spirit Associat[illegible] said yesterday.

Details of clearance from bo[illegible] of Scotch whisky in July sh[illegible] that sales of Britain's favour[illegible] spirit drink fell 6.5 per cent. [illegible] 7.32m. gallons during the fi[illegible] seven months of 1976 compar[illegible] with the same period a year a[illegible]

Less rum

Immature spirits,—chiefly [illegible] and vodka—suffered less [illegible] cause of mixing with soft drin[illegible] Seven-month sales were only [illegible] per cent. down at 3.7m. gallo[illegible]

Rum suffered an 11.7 per ce[illegible] setback to 1.3m. gallons, wh[illegible] brandy clearances fell 5.6 [illegible] cent. to 971,000 gallons.

Imported wines showed a [illegible] per cent. rise to 3.3m. gallo[illegible] The association points out th[illegible] this is confusing because of t[illegible] change in the way the figu[illegible] have been collected this year.

Unofficial monitoring by t[illegible] Association puts the ov[illegible] recording at more than 2[illegible] gallons compared with t[illegible] 766,000-gallon rise that [illegible] Customs and Excise says to[illegible] place in imported wine cle[illegible] ances, and the 2.5m. gallon f[illegible] in "made" wine clearanc[illegible] ("Made" wine used to [illegible] called British wine, and is mai[illegible] fortified wine.

هكذا من الأمل

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PRINTING

Laser beam speeds the news

THOUGH it holds 95 per cent. of the world market in newspaper page transmission, Muirhead is not resting on its oars and has just disclosed successful development of a threefold unit which will transmit newspaper pages from original paste-ups, make plates in-house at up to one a minute and also will operate as an input to automatic page composition systems.

Taking the company into the graphic arts field for the first time, the new "Flat Field Pagefax" unit with its ability to produce plates from paste-ups inputs, does away with several production stages, resulting in considerable time and costs savings.

Like Pagefax drum, flat field machines can work with data compression systems and the two are compatible.

Present drum installations can be extended to incorporate flat field equipment at replacement costs described as "attractive."

A further gain is seen when photo-composing output is fed directly into the laser plate-making system included in the equipment. Then the paste-up sheet itself will no longer be required, reducing the time-factor in production by a further 20 minutes. Muirhead's calculations on time savings currently work out at 16 minutes per page with the elimination of the copy camera and film processing and drying operations.

The laser flat field scanner has already been supplied for a prototype composition system as an input device for the high speed conversion of display advertisements and illustrations to digital form for computer pagination.

A photo-composer is used to mark up type accurately, and produce a page layout with "windows" for display ads and illustrations exactly positioned in relation to the type page layout. The scanner produces the layout in digital form and a computer then organises all the elements of the page and controls the photo composer which produces a whole page in film form.

This flat field recorder is also available for high speed output of a computer-set page direct to a printing plate and as an output device for computer typesetting systems.

Muirhead Data Communications Division on 01-650 4888.

● POLLUTION

Ultrasonics purify

WALLIS Separators has three new ultrasonic separators, for laboratory and industrial work.

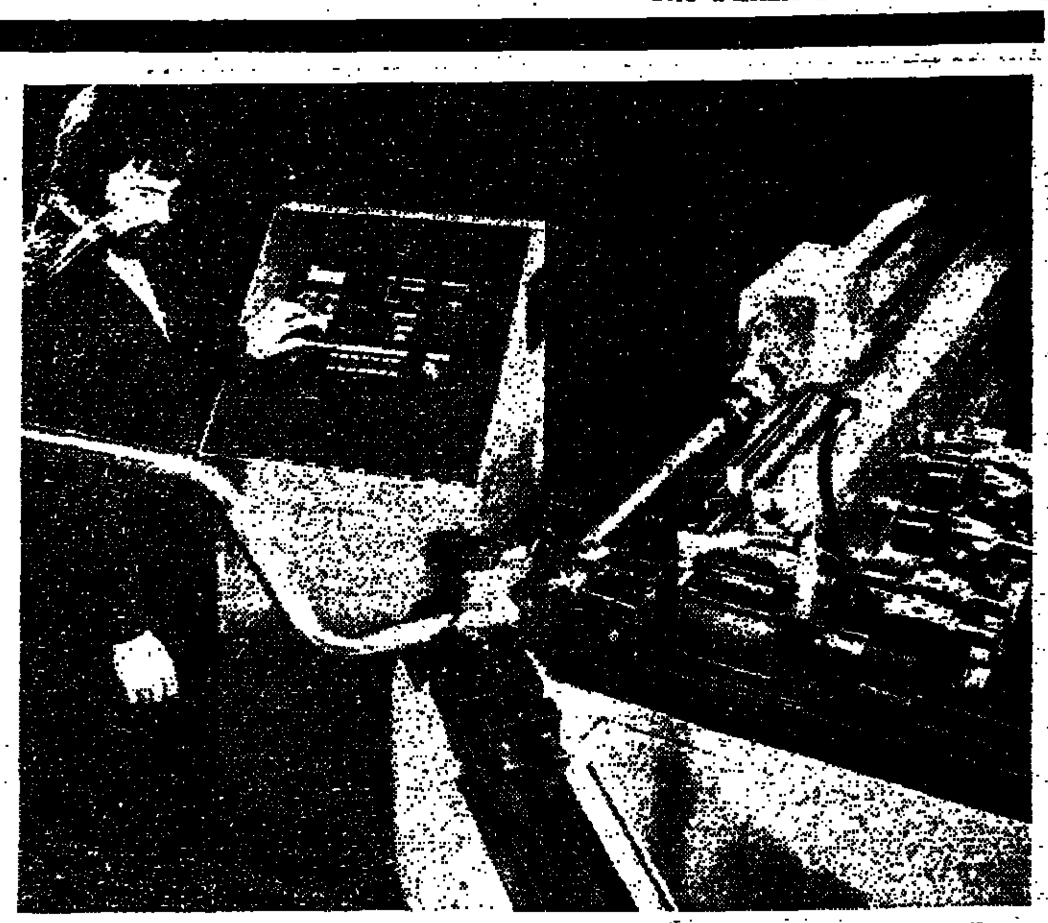
The laboratory and low flow unit will cope with flows up to 1,000 gallons an hour.

Model 5/A is aimed at ball and rod mill applications, has a screen deck area of only ¼ square metre but has a high throughput without any loss of overall screening efficiency. Flow rates of 70 cubic metres/hour are normal for 44 micron decks, and 100 for coarser apertures.

The third model is the 2/G. Electrical specification is as above but to assist further natural drainage of recovered material, the separator is supplied with a 2 metre length deck. The prototype has been installed at Bulmers (cider makers) of Hereford where process water is being recovered suitable for recirculation.

Models 2/G and 5/A operate on a 3 metre head, require an input of only 2.2 kW single phase 220 v supply (or to customers' specification) and a fail-safe switch is incorporated in the generator circuit, making the system fully automatic.

Wallis Separators, Unit 24, Sittingbourne Industrial Park, Sittingbourne, Kent ME10 3JG. Sittingbourne (0795) 76281.



This equipment for the production of exhaust pipes, is claimed to combine the versatility of a mandrel bender with the speed of a press bender. Supplied by The Addison Tool Co. of Westfields Road, London, W3 ORE and called the Vectorbend 300C it consists of a tube bender and a computing system called the Vector 1 tube data centre. There are two methods of operation. In one, the machine is programmed by "keying-in" bend data on the control console. This information would include angles and plane of bend plus distance between bends. Once programmed, all machine movements are automatic but full manual override is possible from the control console. In the second method, up to five machines can be interfaced with the computer in the Vector 1 tube measuring, inspection and bend data centre, all working on different jobs, if necessary.

● METALWORKING

Automatic sheet fabricator

TRUMPF Trumatic 202WCT is a computer numerical control sheet metal fabricating centre. Program storage and a single tape reading enable the unit to perform a combination of punching, contour nibbling, forming and tapping operations in one machine set up and one workpiece handling.

A stationary punching tool adapter is automatically supplied with tools of any size, in any sequence, from a storage magazine at the machine. Capacity of the magazine is 20 tools. All punching, nibbling and tapping tools can be loaded in cartridges away from the machine, then transferred to the storage magazine. Pre-set tool cartridges, reduce set up time and floor-to-floor time to an absolute minimum.

Punch, stripper and die, comprising one tool set, are simultaneously loaded into the tool adapter or removed when a tool change takes place. In the loaded position, tools are hydraulically clamped in one extremely rigid tool holder, which is equipped with hydrostatic, wear-free ram bearing.

Trumatic, St. Albans 61121.

● MATERIALS

Latex will meet new regulations

LOW-AMMONIA natural latex of a new formulation suitable for most applications has been developed at the Dunlop Research Centre and is now available from Dunlop Plantations through the sole distributors in the U.K., Hecht, Heyworth and Alcan.

Dunlop LAZN latex is the third generation of low-ammonia latices to be launched by the company, and it has a number of advantages over other types, the principal one being that the chemicals used as preservatives obviate the need to include boric acid or sodium pentachlorphenate, both of which are now prohibited in certain countries.

Chemicals used, tetra methyl thiuram disulphide (less than 0.10 per cent.) and zinc oxide (0.015 per cent.), are already well known to the rubber industry, and their effect on vulcanisation characteristics is negligible.

In consumer goods, the latex satisfies the most stringent regulations with regard to products that come into contact with the human body, and those in the industrial field used in the manufacture of food and drink.

LAZN has been approved for use in a number of U.K. factories in the Dunlop group, notably in the production of Dunlopillo latex foam, in hose for use in brewing and food processing, and for dipped products such as gloves.

First bulk supplies of LAZN will be available in the U.K. during October, 1976 but samples are available from Hecht Heyworth and Alcan, Myrtil House, 70, Clifton Street, London EC2A 4SP. 01-626 7820.

● CONSTRUCTION

Cuts down heat loss

A SIMPLE method of improving by up to 38 per cent. the thermal transmittance (U value) of conventional sandwich cladding for industrial roofs and walls, where the insulation infill would otherwise be compressed and made less effective, comes from Cape Universal Claddings.

The Cape Spacer system takes no longer to lay than conventional sandwich constructions and is quicker and easier than a system spaced by timber battens.

Using 50 mm Rocksil insulation, the overall U value is cut from 1 to 0.62 W per square metre per degree C. Using 75 mm insulation, the value is 0.48 W.

The spacer is of 'n' section, 50 mm high, 60 mm across the base plus an extended foot of 28mm to provide stability and a fixing point for vertical applications. Standard length is 995 mm and, unlike notched spacers which lie directly on the profile of the underlying sheet, the section is constant throughout and of uniform strength.

More from Cape at PO Box 165, Tolpits, Watford WD1 8Q2. Watford (92) 33566.

High speed space frame

LEYLAND truck and bus stand at the Commercial Motor Show, Earls Court, London (September 24-October 2) includes a 10,000 square feet canopy which, with its supporting columns, contains over 28 tons of steel, and a wall 98 feet long and 15 feet high. This structure, with a total weight of 34 tons, was erected by 10 men in three working days.

Canopy and wall are the first structures in the U.K. to use Moduspan space frame components, a system using specially formed steel channels and connectors to form triangular truss 4 feet or 5 feet modules. These are simply bolted together to produce any size of roof, decking or wall required. The system can be used for temporary or permanent structures.

Developed in the U.S. by Unistrut Corp., Wayne, Michigan (part of the General Telephones and Electronics Group), the system is now made and marketed in the U.K. by its subsidiary, GTE Unistrut, Edison House, Elms Industrial Estate, Bedford MK4 10HU (0234 211331). Other products of the Unistrut Corp., were made under licence in the U.K. by GKN Sankey until 1974, when the present subsidiary was formed.

Low-weight coating

LOW-COST, and low-weight, a decorative textured coating called TexGard 200 new interior coating can be sprayed or rolled on and dries quickly.

Minimal preparation is necessary, and as the coating has elastomeric properties crack resistance is good.

Eight pastel colours are supplied as standard, while other shades can be produced to special order.

Textured Coatings, Keighley Road, Skipton, North Yorkshire BD23 2QP. Skipton 3281.

● COMPUTING

Captures the flying ink spots

AN INK JET printer that produces correspondence quality printing at speeds of up to 92 characters per second and offers automatic paper and envelope handling, magnetic card input, formatting capability and optional communications facilities has been announced by the office products division of IBM U.K.

IBM 46/40 word processing printer produces high quality images from ink droplets which are electrostatically directed at the sheet of paper at rates of up to 117,000 per second. The electrostatic field through which the particles of ink are passed arranges them into the shape of the letter required.

Three speeds in three type styles are available. Magnetic cards, recorded on any of the range of IBM magnetic card typewriters can provide input. The text to be printed is recorded on a "document card" and the typestyle, number of copies etc. are recorded on another magnetic card, the "control card." The machine has a memory of 6,600 characters and a magnetic card reader which can accept up to 200 cards.

Up to 600 sheets of paper can be loaded into each of the machine's two paper drawers. Paper can vary in size between 7 by 10½ inches to 8½ by 14 inches and by weight between 16 and 24 lb bond. Any two combinations of paper—letterhead and plain bond and letter size and legal size for example—may be loaded and printed without operator intervention.

Easier to control the data

FULLY interactive, a business system based upon the Hewlett-Packard 2000 Series minicomputer using Scicon interactive software is available for medium-sized businesses with specialised or unique requirements for such applications as sales ledger, order processing and stock recording.

The basic system is a 21-MX minicomputer, with up to six display terminals, disc drives, magnetic tape and line printer.

Basic software components have been completed, and work is now nearing completion on the first set of user programs for a customer in the aircraft industry. On this application, the requirement is to keep track of very detailed stock records, to process orders, produce invoices and maintain sales and purchase ledgers. In general, however, the system is expected to be of use in any application where there is a requirement for rapid access to a business data base, customer accounts and orders. Especially if the requirements are non-standard which would otherwise involve the customer in very heavy expenditure on software design.

Hewlett-Packard on Wokingham 784774. Scicon on 01-580 5599.

● COMPONENTS

Flat fans supplied

ETRI FANS can now supply a wide range of axial units for use in the electronics, data processing and aerospace industries.

Power input options of 115, 220, 240 and 415 volts at 50, 60 of 400 Hz are offered, and units for DC operation. Speeds vary from 1,000 to 22,000 rpm and models are available for various temperature conditions with resistance to humidity, salt spray, shock, vibration and other environmental hazards.

Highest performer is the 125 XR which is only 38 mm thick but offers a 30 per cent. increase in pressure between 25 and 30 litres/sec. compared with earlier designs. Significant reductions of noise and power absorbed have also been achieved.

Casing is pressure diecast aluminium alloy with anodic protection and the impeller is moulded in glass-filled polycarbonate. More from 3, Guildford Road, Horsham, Sussex (0403 68797).

Quiet fan modules

AVAILABLE IN 12 inlet/outlet configurations, a cubic fan module with 500mm. sides has been introduced by Smiths Precision Fan Co., Witney, Oxon, OX8 5EE (0993 2929), a Smiths Industries subsidiary. The modules are intended for heating and ventilating ducting and similar applications, and provide uniform housing for the fans, filter installations, silencers, etc.

Two electric motors are available providing direct drive to centrifugal fans with outputs of 550 cubic foot/minute. The 500R motor is rated at 600W, 1300 rpm, and 61.5 dBA at maximum output, and the 500W is rated at 560W, 1350 rpm, 54.5 dBA. Air pressure is 3 inch w.g.

The fan module is soundproofed with a linking of perforated acoustically absorbent material, composed primarily of non-combustible felted mineral wool fibres.

● TEXTILES

Vacuum aids transfer of colour

TRANSFER printing, in which a multi-colour textile design is sublimated from a roll of release paper and deposited on a textile substrate is now an internationally accepted way of printing polyester fibre textiles. The most common way of doing this is to have a large heated drum and to hold the paper and fabric face-to-face against this by means of tensioned blanket.

In itself it is a most effective and simple way of applying the transfer, but there is a tendency for the fabric to be flattened during the period, as polyster fibres are themoplastic and the effect of the treatment is much akin to a housewife ironing a sheet. This loss of texture is also accompanied very often by a stiffness in the final product.

Now, a new system has been introduced which allows for much more rapid transfer of the design and which tends not to affect the substrate to quite the same extent.

The Dutch company Stork Brabant (British agent: A. E. Aspinall, 2 Whitworth Street West, Manchester M1 5WX. Tel. 061-228 6556) has introduced a machine it calls the TC451 vacuum continuous transfer calender. The transfer takes place in a vacuum of 110 Torr (1 Torr = 1mm Hg) allowing transfer speeds of 42 m/min. at 210°C.

It is also possible to obtain a high quality transfer with this machine at the comparatively low temperature of 180 deg. C and it is stressed that side to side variations across the drum are minimal, but in this instance the transfer speed would be reduced to about 12 m/min.

Because of the use of vacuum, it is essential to have the material and transfer paper effectively sealed from the mill atmosphere. With the new Stork machine, windows have been incorporated so that the process can be observed from either side of the machine. There is little air left in the chamber and this allows the sublimation of the dyestuffs to be accelerated, but even more important is the fact that the depth of penetration of the design is also increased.

As sublimiation is able to take place at a temperature some 30 deg. C lower than is usual, simply because of the aid provided by the vacuum, it means that the fabric is more gently handled and the result of this is that texture does not become so harsh, so that together the treatment gives more rapid processing, deeper peneration and an improved handle of the final product.

Sampling metals

PRODUCTION of metal sample buttons using the non-consumable electrode melting technique in an argon atmosphere has been shown to be a viable and practical proposition, whereby the metal substrate can be subjected to analysis and evaluation prior to adoption for a particular application or to establish the parameters for quantity production.

A furnace has been designed and manufactured to meet the requirements of metallurgical establishments. Simple in construction, this non-consumable electrode argon arc furnace will make metal sample buttons from sample chippings, turnings or powders, with melting points up to 1600°C.

Button-shaped castings 35mm diameter x 7.9mm thick are produced. Attention has been given to the ease with which items such as the thoriated tungsten electrode can be removed so that high output can be maintained.

Napier Scott Agencies, Melbury House, Ardingly Road, Cuckfield, Haywards Heath, Sussex. Haywards Heath 3575.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

Gabon Pursues Its Ambitious Development Program

Priority For Routes And New Industries

LIBREVILLE.—The Gabonese capital has taken giant strides in the past few years to escape its old condition as a sleepy equatorial town. A staggering rate of construction is transforming it into the modern capital of an important African country. Part of the facelift is connected with the annual meeting next summer of the Organization of African Unity, but much is dictated by the need for new ministerial buildings, public utilities, offices and homes. The shore boulevard is being doubled and along its length have risen a new Presidential palace, a new Foreign Ministry, new offices for development banks, a National Art Museum, extensions to major hotels while new hotels like the Novotel and Sheraton are under way. Complexes of shops, offices, apartments and houses are also going up and the impression is that not much will be left soon of the old Libreville.

These are all signs of the continuing boom in the Gabonese economy launched two years ago with the rise in oil prices. Nevertheless there is currently an effort by President Bongo and his government to rationalize growth and delay all unnecessary spending. For example, the wide exterior boulevard will be completed linking the new port and the existing airport, but the plan for a new airport has been shelved.

Exports outstrip imports two to one and last year there was a $50-million balance of payments surplus. The President wants to ensure that development is more harmonious and he also is anxious to consolidate his short-term debt. He says he will personally check that spending ceilings are not exceeded and that all essential targets are met in the race to broaden the country's industrial base before any dip in oil revenue. On the other hand, there is an efficient network of airports *strategically located throughout* the country.

The new five-year plan, starting next year, will concentrate on communications, be they the $150-million network of roads for the capital, the transformation of the roads and hotels of Port Gentil, the country's economic capital across the Gabon estuary, or the launch and completion of the $1 billion Transgabonais railway, the $625-million pulp factory at Kango, which will be among the world's largest with an eventual output of 300,000 tons a year, the opening up of rich iron mines and, of course, the search for more oil. In addition, some $400 million will be spent over the five-year period to improve the country's agriculture and lessen its dependence on expensive imports from France and elsewhere. Manioc and banana production will be raised to meet the needs of thousands of imported workers from other African states and then the emphasis will be switched to fruits and vegetables, corn, rice and cattle. At the same time, Gabon *looks to the techniques of countries like* the U.S. to provide agri-business firms.

President Bongo summed up the country's situation this way: "We have been going a little too fast. There is nothing alarming about our situation, but we have to pay more attention to priorities and to our debt ratio although we are below some countries which have gone successfully to the Euromarket."

The government admits that oil production could dip slightly by 1980, but adds there is always the prospect of higher oil prices and new discoveries.

It says there are "serious signs" that new reserves exist and Elf-Gabon will shortly evaluate all of them. There are signs too of more uranium near the capital, deposits of copper, lead, marble and diamonds.

The building boom is not limited to the Libreville shore front. Factories of all kinds have sprung up to fill the industrial zones south of the *capital and* traffic jams have come to both Libreville and its suburbs. So have foreign businessmen and French technicians. There are now 35,000 French in the country compared with 5,000 before independence and the government admits that many more foreigners will be needed to ensure the success of the Third Plan.

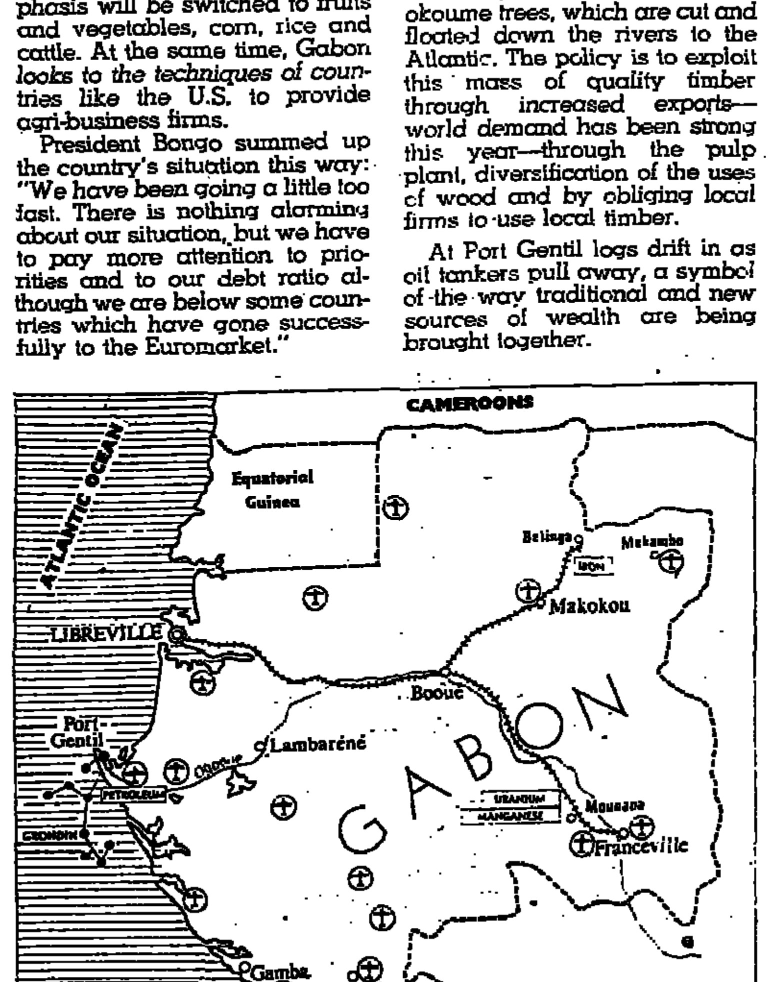
President Bongo has changed his political slogan from "Planned and directed liberalism" to "Democratic and concerned progressivism." It implies no change in his pragmatic approach to ruling. It means greater participation by Gabonese in management, but this Gabonization program will be based uniquely on the ability of the individual. The democratic part of the slogan also means that the state seeks minority shares in companies and wants these firms to explain regularly their policies to employees. The Minister added: "Concerted action means that we believe that development should go hand in hand with foreign investors. There is no question of *nationalizing foreign* firms for we also believe there must be motivation in business for it to be successful. The policy of the government is definitely liberal."

There is a lot of determination behind some of Gabon's mega *projects. It has gone ahead with* its major railway despite the earlier doubts of foreign experts and everything points to it being ready on time. It was not put off by lack of enthusiasm in some financial quarters for its pulp plant. It now has Swedish and French backers, as well as the World Bank, has planned overseas outlets for the production, rethought the plant's profitability and is looking at a last problem—pollution.

With exports earning more than $1 billion a year, the Pres*ident is not worried about his* country's future, but he aims at more controlled growth over the next few years. It will remain one of Africa's highest rates, if not the highest. The Gabonese worker has a minimum guaranteed monthly wage of $110, but the national average is $150 or more. This is far higher than neighbouring countries.

Industrialization has not led Gabon to forget its stable source of riches, the immense forests of okoume trees, which are cut and floated down the rivers to the Atlantic. The policy is to exploit this mass of quality timber *through increased exports— world demand* has been strong this year—through the pulp plant, diversification of the uses of wood and by obliging local firms to use local timber.

At Port Gentil logs drift in as oil tankers pull away, a symbol of the way traditional and new sources of wealth are being brought together.



Mineral-Rich Province Prepares For Gabon's Post-Oil Period

FRANCEVILLE.—Gabon's rich mining region, deep in the southeast of the country, is embarked on a major expansion program prior to the arrival of the Transgabon railroad which will cut through the dense equatorial forest covering the entire center of the country and link the new mineral port on the Atlantic coast with the mineral-rich Haut-Ogooué province bordering the Congo.

Target date for completion of the railroad is 1980. When it reaches here freight trains will be loaded with increased production of manganese destined for the world's steel industry, the output of a planned ferro-manganese plant and other subsidiary industries, uranium from


Uranium Mine in Mounana. Photo l'Union

mines now being enlarged, sugar from a recently built refinery and possibly other agricultural products. This is the country's second boom area destined to provide much of Gabon's export earnings after the rundown of the off-shore oil fields in the late 1980s. Henri Sylvoz, director general of the Comilog mining company at Moanda, West of Franceville, stated: "With the railway and increased hydro-electric power we can really take off."

A vast new region for the mining of manganese has been stak*ed out; the launching of the* $75-million ferro-manganese plant of Sogaferro is being organized: Sogaferro, a company associating Comilog with the Gabonese government, Japanese, U.S., French, Norwegian, Italian and Belgian interest and has started the first of a series of dependent industries devoted to the manufacture of batteries. Comilog has also taken a part of the mining company established to exploit the huge iron ore reserves in the north of Gabon, a project of direct interest to Bethlehem Steel.

Moanda, which is the Comilog "company town," is growing to meet the new industrial challenge. The company is a big money earner and currently sends its entire annual production of 2.3 million tons of manganese to the Atlantic via the world's longest industrial cable system, its own track in the Congo and finally Congo railways leading to the port of Pointe Noire.

The present route to the sea is impressive—a non-stop stream of 3,000 suspended wagons carries the manganese 47 miles down to the Congo. Negotiations with Congolese transport authorities are directed at improving railtrack inside the Congo thus enabling up to 2.6 million tons to be exported from 1980 onwards mainly to U.S. steel mills, Comilog's biggest customer, which buy 42 per cent of output. Other major customers are France, which takes 22 per cent, Japan 12 per cent, West Germany and Britain.

Comilog's biggest shareholder is U.S. Steel with 44 per cent of the capital. The Americans have a $100-million investment in Moanda and adjusted a larger previous share of the capital to make way for the Gabonese government which likes to take ten per cent but usually no more of a major new company.

Comilog's other major shareholders are the French government's mining exploration company, B.R.G.M., the French mining group Mokta and interests of the Banque de Paris et des Pays-Bas (Paribas).

In reality, the company runs its own show at Moanda and the beneficiaries are the Gabonese government and the share*holders. Sales run at more than* $120 million, profits are described as "considerable." There is a constant reinvestment program, but the remainder of the profits provide a 15-per-cent dividend to shareholders.

Mining the manganese on the plateau is a relatively easy affair and the company has its next zone clearly marked out on a neighboring plateau. Moanda bustles with activity as new housing, stores and amenities are put up to match industrial expansion. The Transgabon railroad will by itself enable manganese production to be raised to between 4 and 4.5 million tons annually in the late 1980s. One of the new industries, Sogapil, is already in place manufacturing 6 million batteries, sufficient for the national market and some exports.

The future ferro-manganese plant will turn out 85,000 tons a year of ferro-manganese and 50,000 tons of silicomanganese and represents an investment of $75 million upwards. Comilog has principally interested the Japanese, whose total stake of 25 per cent is divided between Okura (10 per cent), Nippon Kokan (10 per cent) and Nippon Denko (5 per cent). Comilog keeps 15 per cent and has divided another 50 per cent between Aciers de Paris, Elkem (Norway), Sadacem (Belgium), Tassara (Italy) and Union Carbide.

The feasibility study will be ready at the end of this year and the go signal can be given once the government agrees to push ahead with the Grand Poubara Dam of some 230 MW.

Meanwhile, Sylvoz plans his $75-million spending program for opening up the Okouma plateau and has already formed another company, Sogadema, with American and Belgian interests to use manganese derivatives for the glass and pharmaceutical industries. He sees Moanda as the future center of a major industrial complex.

The region is also the site of Gabon's open uranium mines at Oklo near Mounana where the 1,000-yard-long excavation site is being expanded and two long mining galleries have been bored into the hillside ready for mining. Production will rise from 1,000 tons in 1978 to 1,500 tons a year in 1980.

The bulk goes to France, but Comuf, the uranium company, sells smaller quantities for power stations in the U.S., West Germany, Japan, Belgium, Spain and elsewhere. A $40-million investment program will enable Comuf to produce high-grade yellow cake.

It's a deliberate attempt of President Bongo to stimulate Gabon's virtual non-existent agriculture. French engineers brought sophisticated machinery to the area by dirt roads while agricultural experts planted 10,000 acres of cane for the first season. The cane was planted mechanically, the only system of its kind in the world, and has just been cut by fast-moving West German machines slicing their way through field after field. Production this year is expected to be 12,000 tons and the French experts on the spot see no reason why this plateau region near Franceville cannot be developed for other crops—pineapples, soya, corn.

Franceville, President Bongo's hometown, is rapidly spreading along its various hillsides and planes landing and departing from the new airport are packed as are most of the others using the many smaller landing strips.

The future hinges on the new dam as well as the Transgabonais railway. The present hydro-electric plant at Poubara does not generate sufficient power for the planned new industries. The French are doing a feasibility study for the Grand Poubara dam project. It is likely to be a $300-million-plus construction making use of the region's abundant water supply. The cost and the effort would make any developing country hesitate, but industry needs the power and there seems little doubt that the big dam will be built.

Oil Supplies The Means For Industrial Growth

PORT GENTIL.—Gabon earned its other name, "Kuwait of Africa," because oil brings more than half a billion dollars a year into the coffers of a country with a population estimated at around three quarters of a million. It gives Gabon a 20-per-cent growth rate and the highest *per capita income in Central* Black Africa. The known reserves, mainly offshore, are good for another decade and oil revenues will pay for improving Gabon's communications and the new industries which will depend upon them.

Companies have been looking for oil in Gabon since 1928 so the money being made from current annual production of 11.3 million tons is considered well-earned. Both government and companies are anxious to find more oil so that the oil-fed boom can be extended for five years beyond present estimates.

Blocks next to the present string of wells offshore will not necessarily provide the hoped-for extra production. The drilling teams are returning to the mainland where prospecting was first launched. The forest forms an enormous obstacle to the companies but from now on the search is going to be half at sea, half on land. Elf-Gabon (75 per cent the French State oil company and 25 per cent the Gabon government) will spend $70 million this year on exploration, for continued supplies of Gabonese oil are essential for the French company.

The government estimates that in the five years up to 1980 some $450 million will be spent on exploring the length of the coast and in regions like the Nyembe forest near Lambarene. Seismic tests are under way in the forest and three drillings were made this summer. Altogether there will be 20 new drillings.

This year's production from the Gabonese fields will match that of last year, which saw a daily average of more than 220,000 barrels. The oil industry accounts for more than two-thirds of budgetary receipts. Gabon joined OPEC in 1975 and while anxious to maximise its revenues it nevertheless pursues a policy of incentives to encourage private companies to keep looking for more oil.

Elf-Gabon is by far the largest producer with around 85 per cent of total production, followed by Shell with 12 per cent and Gulf with just over 1 per cent. The balance is scattered between several smaller companies.

The major production platform, Grondin, at the southern edge of the Elf-Gabon concession, is surrounded by 20 wells and produces some 3 million tons a year. The field will also be used by Elf to experiment with a system of automatic sea-bed production aimed at replacing present production platforms.

There are about 15 companies from several nations undertaking exploration, but Elf-Gabon, Shell-Gabon and Gulf Oil are far and away the most active. Grondin production has recently been increased and the Breme field nearer shore is also being developed with U.S. independents, Odeco and Ocean. Throughout the area a balance has been maintained between declining sources and those being brought on stream. It's a costly business and the figure for total investment in Gabon oil has climbed beyond the $1-billion mark.

Shell-Gabon is undertaking aerial and other studies inland, while offshore Gulf, working for the Shell-Gabon, Elf-Gabon, Gulf and Hispanoil association, has found encouraging signs at Mayumba.

U.S. figures put Gabon's posted price at $13.50 per barrel but a special high cost deduction is made because of the high exploration and production costs of developing a considerable *number of moderate-sized fields.* The total government take on a barrel is around $5.80 and company profits around $1.40 a barrel. Under this kind of arrangement Elf-Gabon's profits have been averaging around $45 million.

Stocking and refining capacity has been increased with a second refinery at Port Gentil and the country now has its own tanker, the 140,000-ton Tchengue.

Gabon seems to have evolved a coherent oil policy combining high profits for the government and encouragement for further foreign investment. Under a new law, producing oil companies must reinvest 10 per cent of their profits in other industrial ventures in Gabon. This program, called PID (Diversified Investment Program), was first applied to Elf-Gabon which now has extensive investments in various new industrial enterprises. Shell has just entered into a similar agreement.

The state's policy is to create an industrial base to one day replace oil. Elf-Gabon, which is hoping to push sales this year to $700 million, has earmarked some $80 million of its $250 million investment program to stakes in these PID industries, which extend the influence of oil companies throughout the economy. The company has formed a joint venture with the government which has taken 58 per cent in the new Coger refinery and future ammonia plant, 38 per cent in the new sugar company at Franceville and a whole range of other new companies.

The list is extensive and includes a paint and varnish factory, a data processing company, a construction company specializing in prefabrication, a vegetable production concern and even a medical research center which will be devoted to discovering the causes of Gabon's low birthrate. There will be other stakes in a projected paper pulp mill scheduled to cost more than half a billion dollars, a large cement plant, a shipyard and a commercial fishing venture.

With all this activity destined for the post-oil period, the major question in Gabon is how long will the oil last. Some industry sources state that Gabon will be producing oil in some quantity for at least another 25 years. Grondin, for *example, has a long life ahead* of it. Although oil comes in small pockets, the industry thinks it certain that more deposits will be found and this could mean production being maintained at something like present rates for 15 years. The fact that new partners are being found to share exploration costs is an encouraging element. Elf-Gabon is also investing large sums in expanding its oil storage facilities at Port Gentil.

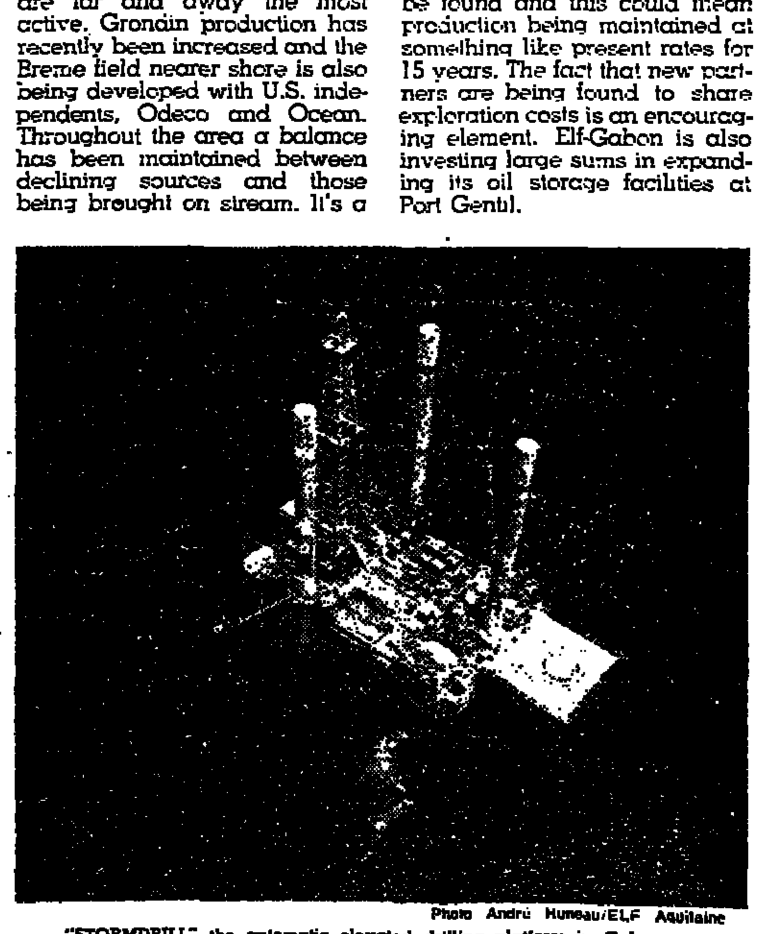


Photo André Huneau/ELF Aquitaine

"STORMDRILL" the automatic elevated drilling platform in Gabonese offshore waters.

Unique Railway Through Forests Will Open And Unite Country

LIBREVILLE.—A wide path cut through dense forest stretches as far as the eye can see. It starts at a vast construction site on the coast at Owendo, just southeast of the capital, and runs east towards Ndjolé in the interior. This is the beginning of the future Transgabonais railway, the top priority in Gabon's economic planning, a line which will carry iron ore, manganese and wood from the hitherto isolated heart of the country. *It is no exaggeration to say that* it will be Gabon's lifeline both for exports and for unifying regions cut off one from the other, particularly during the rainy season.

It is a mammoth undertaking for a country which at the moment has no railways at all. The line will pass through some 420 miles of previously impenetrable forest and swamp and will leap giant rivers.

The World Bank took a look at the project some years ago and decided that it was a difficult venture. The Gabonese government, more *ambitious,* thought differently and work on one of Africa's most ambitious railways has now been launched with the start of the laying of the actual track scheduled for next year.

The technical skills and manpower *of several countries have* been brought together for the building of the Transgabonais. The construction consortium comprises companies from France, Italy, West Germany, Belgium and Holland. The workforce will consist of 1,000 Gabonese, another 2,000 from neighbouring African countries (Cameroun, Togo, Senegal, Upper Volta), 400 Pakistanis trained by the French during dam building in their country and a similar number of European technicians.

Teams cutting the forest from Owendo and Ndjolé have just linked up, providing a 112-mile path for the track. *It has been* probably the most difficult part of the work for it was carried out in a region noted for the worst climate in Gabon. One French engineer stated: "Normally, we like to start with the easy bit to keep up morale. Here it has been the other way around. There's no fun in working in an area where conditions limit work to 125 days a year, but we are going to make it for Gabon has become a country where nothing stops."

Work will be possible for 250 days a year or more on the later sections, but then the problems will center on straddling six times the expanse of the River Ogooué.

Most of the backup sites are ready for the big launch. At Owendo the building of the station is well under way—the line will also go to the nearby mineral port also just north of Libreville. The site is cleared for a big workshop at Owendo for the soldering of 140-meter-long sections of track. Quarries have been dug to overcome Gabon's current dependence on imported gravel. Construction bases have been established every 30 miles for the first section and groups of workers will be housed at these points. The European consortium, EUROTRAC, has built a small town at Owendo and the French managers of the billion-dollar line say confidently that they will meet the *1980 deadline for arrival* at Franceville.

The European group of building firms contains some of the continent's finest—Spie-Batignolles and Fougerolle of France and three other French firms, West Germany's Philip Holzmann and Bilfinger-Berger, Impresit of the Italian Fiat group, Holland's Interbreton and Belgium's C.E.I. The study group is also international and includes TAMS of the United States.

The program is for the Europeans to do the heavy work, for *the French to supply the track* and for General Electric and France's Alsthom to supply the diesel locomotives.

President Bongo has called the railway "the priority of priorities. It will be the backbone of the harmonious development of the country." The cost of the foundations will be borne by the Gabon budget and there will be international aid for the rest of the work.

LABOUR NEWS

Big rise in dispersal costs for Civil Service

BY DAVID CHURCHILL, LABOUR STAFF

A MASSIVE increase in the costs of dispersing 11,000 Ministry of Defence Civil Servants to Cardiff and Glasgow is revealed in a confidential report by a Ministry working-party.

The report estimates that dispersal will cost up to £201m. at current prices, which is more than four times the previous unofficial estimates of the costs.

These findings come as leaders of the main Civil Service unions are preparing to adopt a new tough line on dispersal following the Government's recently announced intention to cut Civil Service manpower by at least 46,000 by 1979.

Executives of the major unions are considering a top-level report which calls for a "comprehensive review" of the dispersal programme and a "campaign for an independent enquiry into current dispersal arrangements."

The Ministry of Defence working party's report, made for an internal sub-committee responsible for implementing the dispersal programme, calculates that the costs range from £124m. up to £201m. depending on whether potential savings are taken into account and whether the costs associated with the Department of Environment and Property Services Agency—responsible for buildings and land—are taken into account.

The report concludes: "These costs provide a rough measure of the inefficiency of dispersal for the MOD and prove the point that the amount of damage increases in proportion to the distance of the receiving locations from London."

Estimates of the total cost of dispersing 31,000 Civil Servants from all Whitehall departments—including the MOD—had previously been estimated by the unions at approximately £400m. But the revised MOD estimates will substantially update this figure.

These are likely to be the short-term costs but some estimates claim that, over the whole ten-year period of dispersal, the savings will eventually outweigh the costs by as much as £100m.

Critical

Most of the major Civil Service unions are believed to be critical of the dispersal programme. The largest Civil Service union, the Civil and Public Services Association, decided at a recent executive meeting to demand a no-redundancy guarantee from the Civil Service Department—by the middle of next month—in return for future co-operation in dispersal.

Union leaders recently failed, in a meeting with Civil Service Ministers, to have the dispersal programme postponed in view of the manpower cuts. They thought it wrong to consider a costly and inefficient programme at the same time as cuts were required.

Consequently, the document from the National Whitley Council staffside now circulating among the union executives for endorsement calls for a three point future policy on dispersal to be adopted by the unions.

This is to express strong opposition to the disputed areas of dispersal in the MOD and other departments; to demand a comprehensive review of the dispersal programme against the background of current reductions in public expenditure; and to campaign for an independent inquiry into current despersal arrangements, with broad terms of reference.

NUPE aims for fringe benefits

By Our Labour Staff

CONFIRMATION that fringe benefits will figure in pay negotiations for more than one million local authority manual workers next month came yesterday from Mr. Alan Fisher, general secretary of the National Union of Public Employees.

"We shall be looking at the requirements of the TUC-Government incomes policy and any implications there may be from the seamen's settlement in relation to fringe benefits and allowances," he said.

The local authority manual workers' negotiations are the first big public sector claim of the pay round and NUPE, together with the General and Municipal Workers and Transport and General Workers unions will meet the local government employers on October 6.

Traditionally the settlement sets the pattern for subsequent claims by hospital ancillary workers and other public sector manual groups.

Officials of the Merchant Navy and Airline Officers Association will meet shipping employers to-morrow for continuing talks on fringe benefit revision which began after they settled their annual pay claim with £6 increases in May.

Tugboat row on blacking of carrier

AN international row has blown up over the blacking of a Liberian bulk carrier by the International Transport Workers' Federation and the National Union of Seamen.

The Ems Ore, 8,200 tons, has been lying helpless on the Upper Clyde since September 15 when tugboat crews refused to move her downriver on union instructions.

The row, which has involved a formal protest to the Foreign Office by the Liberian Ambassador and an allegation of piracy from the Liberian Shipping Council, centres on union claims that pay and conditions for the 30-man crew are below international standards. This claim followed a union visit to the ship as she unloaded iron ore at the general terminus quay of the British Steel Corporation.

The union told the federation, which is running a campaign to improve seamen's conditions on flag-of-convenience vessels, to stop the vessel leaving the Clyde until her owners Transatlantic Bulk Carriers of Monrovia, negotiated a new agreement.

Talks have been held in Glasgow between the union and lawyers representing the owners, but progress has not been made.

Steel managers face lone affiliation fight

BY IAN HARGREAVES, LABOUR STAFF

THE STEEL Industry Management Association now seems set for a lone fight to win affiliation to the TUC following rejection by its annual conference at the week-end of terms for a merger with the biggest steel union, the Iron and Steel Trades Confederation.

Arrangements were being made yesterday to hold an emergency meeting of the SIMA national council to consider the association's position in the light of the week-end's developments.

Mr. Robert Muir, SIMA general secretary, said yesterday that he could not pre-empt the decision of his national council, which technically has to decide whether the conference decision should become official policy, but he wanted to stress that it had long been SIMA policy to seek affiliation with the TUC whether or not there was a merger.

The strength of the conference decision—89 to 17 against amalgamation with ISTC—clearly took the SIMA leadership by surprise. Mr. Muir had visited major steel centres in an attempt to sell the package which, on the face of it, appeared to offer very favourable terms to SIMA. The national council now appears to have very little alternative but to abandon its plans for a secret ballot of the association's 12,500 members and set about following the old course of seeking independent TUC affiliation.

SIMA's difficulties in gaining TUC acceptance are considerable. The association is, in effect, a proscribed organisation by the terms of a decision of the TUC finance and general purposes committee of 1968, which declared that SIMA had no valid claim to negotiating rights for BSC managers.

Although the climate in the steel industry has changed a great deal in the last eight years—the fact that ISTC was prepared to offer merger terms proves that—there will still be a great deal of resistance to SIMA's affiliation. In particular the craft unions, which nurse a long-standing grudge against SIMA because it was granted negotiating rights by BSC denied to their own white-collar sections, are unlikely to lay down a welcome mat.

IN BRIEF

Backing for dyers

The Advisory, Conciliation and Arbitration Service recommended in a report yesterday that the National Union of Dyers, Bleachers and Textile Workers should be recognised by Lois Fabric Printing, of Todmorden, Yorkshire, to represent full-time general and process workers. The service conducted an inquiry after the company and union failed to agree on recognition.

Hospital cuts row

A row over proposed cuts in London hospitals erupted yesterday as health service unions challenged Mr. David Ennals, Social Services Secretary, to spell out which hospitals faced closure. Unions claimed that at least 50 hospitals would be closed or partially closed.

Training success

An independent survey of training in the food, drink and tobacco industry was said yesterday to show that eight out of ten companies questioned found the industry's training Board generally met the requirement of the industry.

PARLIAMENT

Labour defeated on Race Bill

THE TORIES defeated the Government three times yesterday in the Lords over the Race Bill. The former Lord Chancellor, Lord Hailsham, said that the Conservatives wanted to take out of the Bill anything which was unenforceable, unintelligible or potentially oppressive.

There was a series of Government defeats on provisions of the measure—although these will have to be debated by the Commons when it resumes in two weeks' time.

Lord Hailsham complained that the Government was subverting the proved values of English law and was successful in moving two changes to shift the burden of proof away from people accused under the proposed legislation. The first was carried by 127 votes to 65, majority 62. This removed a requirement on a person accused of discrimination to show that this action was justifiable irrespective of colour, race or other origins.

The second defeat came when Lord Hailsham forced through by 53 to 26, majority 27, an amendment dealing with alleged victimisation of complainants. He objected to the proposal that a man accused of victimisation would have to produce proof that information was false and an accusation had not been made in good faith.

A third, dealing with another aspect of victimisation was carried against the Government by 45 to 23, majority 22. Lord Hailsham said of this section of the Bill, which he succeeded in removing from the measure, that it was unintelligible, unenforceable and oppressive.

Earlier, Lord Hailsham said he recalled the case of Mr. Robert Relf, the Leamington man jailed for contempt after refusing to take down a sign offering his house to "an English family only."

Mr. Relf had defied successfully the law and the judge, a counter-productive situation resulting from idealistic legislation, demonstrably unenforceable. The Bill reversed the established tradition that a man was innocent until proven guilty.

Moral respect

Lord Hailsham said one reason put forward for changing the burden of proof was the argument that racial discrimination was particularly odious. But it was no more odious than rape, murder, malicious wounding or other serious offences.

"It is precisely because it is particularly odious that the law has found it prudent to insist that a man is innocent unless he is proved guilty. In none of the other cases, from murder downwards, had it been necessary to alter the burden of proof."

If the Bill was passed unchanged, and people were presumed guilty until proved innocent, this would not attract the moral respect or the adherence of the British people.

Lord Avebury, for the Liberals, said that in cases of racial discrimination it was always difficult to show that an offence had been committed for racial reasons and not for other reasons.

Opposing the change, he said the Bill as it stood would help in establishing claims which were justified. The number of complaints dealt with under the present law was only the tip of the iceberg.

Replying for the Government, Lord Harris of Greenwich described Lord Hailsham's amendment as a retrograde step. The law had an absolutely crucial role to play in race relations.

Heavy burden

It would be an exceptionally heavy burden for a complainant to have to discharge if he had to prove that a particular conditional requirement was not justifiable. This would not be in the interests of justice, said Lord Harris. The Tory proposal would wreck the entire concept of the indirect discrimination provisions of the Bill.

Lord Foot (L) agreed with Lord Hailsham that the effect of the words in the Bill threw the burden of proving innocence upon the accused. This was a serious breach of a basic principle.

Replying, Lord Hailsham said his proposal was not intended to wreck. But he stressed that, under the Bill as it stood, if there was a case in which an employer imposed a restriction for health or safety reasons, and a tribunal was left in doubt, they had to find against the accused. Consequences could be disastrous and in theory could wreck a man's life.

Brockway call for action

LABOUR peer, Lord Brockway, yesterday demanded urgent United Nations action to do away with torture of detainees and prisoners, and a UN inspectorate to visit detention centres where torture was alleged.

HOUSE OF LORDS

Opportunity in Rhodesia must be taken: Minister

To fail to take advantage of the oppotunity created in Rhodesia would b[e] tragic Lord Goronwy-Roberts, Minister of State, Foreign Office, said in th[e] Lords yesterday. Peers had returned after the summer recess two week[s] earlier than the Commons to deal witha log-jam of business.

In an interim statement on Rhodesia, Lord Goronwy-Roberts said Mr. Smith's acceptance of majority rule within two years represented a major step forward. So did his willingness to meet immediately with Rhodesian nationalist leaders to discuss the formation an interim government.

Lord Goronwy-Roberts said the communique issued by the five African presidents at their meeting in Lusaka contained some points which needed to be clarified. But it appeared they had accepted the principle of a transition to independence on the basis of majority rule and the need for early discussions to establish an interim transitional government.

Welcomed

The Government welcomed the statesmanship shown by this decision.

Britain was ready to play a constructive role in trying to establish an interim government and the Prime Minister and the Foreign Secretary had been in urgent consultation with the African presidents over the week-end.

Messages had been sent to them to say Britain would help organise a meeting to consider the structure and functions of an interim government.

The Government wanted to learn from the parties concerned how and where the conference could be arranged and especially who should take part.

Mr. Ted Rowlands, Minister of State, Foreign Office, had brought forward his departure for Botswana and was leaving to-night.

The important thing was that the essential requirement for majority rule has been met. This provided the necessary framework and it was vital not to delay in building on it.

It should now be possible for Africans and Europeans to work together to lay the foundation for peace and prosperity in an independent Zimbabwe (the African name for Rhodesia) in which all races could live in harmony.

The end of guerilla warfare and the lifting of sanctions were important to progress and should take place after the formation of a transitional government.

Assuming that all went well, Britain would take the necessary legislative action at the appropriate time, including the establishment of the transitional government.

"We would also, at the appropriate stage and paying due regard to UN's procedure, revoke the existing sanctions legislation," said Lord Goronwy-Roberts.

"The concern of all of us must be to create the right climate for negotiations to begin. It will not help matters to indulge in recrimination or speculation one way or another."

Lord Carrington, leader of the Opposition, urged the Government to lift sanctions as evidence of good faith in Mr. Smith's statement. Mr. Smith had come a very long way.

He was worried that guerilla warfare would be allowed to continue until after the transitional Government had been set up. This was totally unacceptable after the intentions shown by Mr. Smith.

"It would be unlikely to lead to an atmosphere in which good will and a settlement can exist.

"The Government should insist that part of the price of a constitutional conference is the ending of guerilla warfare."

Lord Carrington said the Government seemed to lack Dr. Kissinger's vigour but he was glad to see that they had accepted the idea of a constitutional conference and had been prodded into a rather more active role than they appeared willing to play in the past.

If Mr. Smith had accepted the offers made to him in the Tiger and Fearless talks, and later by Lord Home and Lord Goodman, he would have obtained much better terms.

Guerillas

The Tories had been advocating just such an initiative as Dr. Kissinger had made in recent months.

Lord Carrington reminded the Government that when the conference took place, they had duty to safeguard the interest[s] of all Rhodesians and not [to] allow extremists to ignore th[e] rights and well-being of th[e] white community.

Lord Byers, Liberal leade[r] asked what part representative[s] of the guerilla forces should pla[y] in the talks.

It was inconceivable that w[e] should continue with sanction[s] while the talks were takin[g] place.

Lord Goronwy-Roberts said [it] was the intention that all co[n]cerned, representing attitudes [in] Rhodesia however repugna[nt] they might be, including [the] guerilla fighters, should [be] brought into the discussion[s]. There would be no potenti[al] implacable minority which coul[d] claim not to have any respo[n]sibility in the final settlemen[t].

The Government regarded th[e] settlement as one which, if [it] came about, would not only giv[e] Rhodesia a better future, bu[t] would also possibly give th[e] whole of southern and centr[al] Africa a model of how thes[e] things could be done withou[t] recourse to force.

Sanctions

The only way to end guerill[a] warfare and get a speedy liftin[g] of sanctions was to institute a[n] interim Government based o[n] African majority rule.

Lord Avebury (L) said Mr. Smith had managed to slide ou[t] of agreements made to proposal[s] put to him in the past. Wha[t] safeguards were being made t[o] stop him sliding out again?

Lord Goronwy-Roberts sai[d] there must be a tremendou[s] effort to make a reality o[f] majority rule.

Answering a further poin[t] about assistance to Rhodesia including making universit[y] places available, he said Britain[']s contribution would be very sub[s]tantial, but we would be gla[d] of support and help from others.

Lord Goronwy-Roberts, reply[]ing to Lord Barnby (C.), said i[t] would be in the interests o[f] everyone concerned if sanction[s] were lifted as swiftly as possible. The key to this was the meetin[g] to set up an interim Governmen[t].

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on September 27, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afars & Issas	Djibouti Franc	270(sg)
Afghanistan	Afghani	85(A)
Albania	Lek	(O)10.10(A) (n/a)
Algeria	Dinar	6.93
Andorra	French Franc	8.25
	Spanish peseta	114.00
Angola	Angola Escudo	n.a.
Antigua (S)	E. Caribbean	4.6521
Argentina	Ar. Peso	(O)236.00
Australia (S)	Australian $	1.3585
Austria	Schilling	28.40
Azores	Portug. Escudo	52.40
Bahamas (S)	Ba. Dollar	1.6810
Bangladesh (S)	Taka	27.10(sg)
Bahrein (S)	Dinar	0.661
Balearic Is.	Spa. Peseta	114.00
Barbados (S)	Barbados $	3.362
Belgium	B. Franc	(cm)65.95 (fn)64.80
Belize	B$	3.362
Benin	C.F.A. Franc	412.5
Bermuda (S)	Bda. $	1.6810
Bhutan	Indian Rupee	15.55
Bolivia	Bolivian Peso	33.620
Botswana (S)	Pula	1.4696
Brazil	Cruzeiro	19.09
Br Solomon Is (S)	Australian $	1.3583
Br Virgin Is (S)	U.S. $	1.6810
Brunei (S)	Brunei $	4.0815
Bulgaria	Lev	1.7204
Burma	Kyat	11.90
Burundi	Burundi Franc	154.95
Cameroun Rp	C.F.A. Franc	4.125
Canada	Canadian $	1.6350
Canary Is.	Spanish Peseta	114.00
Cape Verde I.	Cape V Escudo	52.40
Cayman Is (S)	Cay. I. $	1.4008
Cent. Af. Rp.	C.F.A. Franc	412.5
Chad	C.F.A. Franc	412.5
Chile	C. Peso	(Bk) 24.58
China	Renminbi Yuan	3.3171
Colombia	C. Peso	(F) 59.51
Comoro Is	C.F.A. Franc	412.5
Congo (B'ville)	C.F.A. Franc	412.5
Costa Rica	Colon	14.457
Cuba	Cuban Peso	1.43748
Cyprus (S)	Cyprus £	0.7055
Czechoslov'ka	Koruna	(cm) 10.25 (nc) 20.40 (T) 17.85
Denmark	Danish Krone	9.9825
Dominica (S)	E Caribbean $	4.6521
Domin. Rep	Dominican Peso	1.6810
Ecuador	Sucre	(O) 45.49 (F) 48.25
Egypt	Egyptian £	0.66 (T) 1.22
Ethiopia	Ethiopian $	(P) 3.48585
Eq'l Guinea	Peseta	114.00
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	9.9625
Fiji Is. (S)	Fiji $	1.5262
Finland	Markka	6.56
France	French Franc	8.25
Fr. C'tyin Af	C.F.A. Franc	412.5
Fr. Guiana	Local Franc	8.25
Fr. Pac. Is.	C.F.P. Franc	150
Gabon	C.F.A. Franc	412.5
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	4.15

Place	Local Unit	Value of £ Sterling
Germany West	Deutschemark	4.15
Ghana (S)	Cedi	1.96
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.3585
Greece	Drachma	62.878
Greenland	Danish Kroner	9.9825
Grenada (S)	E. Caribbean $	4.6521
Guadaloupe	Local Franc	8.25
Guam	U.S. $	1.6810
Guatemala	Quetzal	1.6810
Guinea Rep.	Syli	36.56175
Guinea Bissau	—	52.3295
Guyana (S)	Guyanese $	4.28655
Haiti	Gourde	8.405
Honduras Rep	Lempira	3.36
Hong Kong (S)	H.K. $	8.2425
Hungary	Forint	(com) 77.75 (nc)(T) 38.57
Iceland (S)	I. Krona	317.70
India (S)	Ind. Rupee	15.33
Indonesia	Rupiah	697.615
Iran	Rial	(A) 118
Iraq	Iraq Dinar	0.5061
Irish Rep. (K)	Irish £	1.00
Israel	Israel £	14.06415
Italy	Lira	1,428
Ivory Coast	C.F.A. Franc	412.5
Jamaica (S)	Jamaica Dollar	1.5282
Japan	Yen	485.5
Jordan (S)	Jrdn. Dinar	0.545(sg)
Kampuchea	Riel	n.a.
Kenya (S)	Ken. Shilling	14.14
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	847.55
Kuwait (S)	Kuwait Dinar	0.491
Laos	Kip	100.88
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.4696
Liberia	Liberian $	1.6810
Libya	Libyan Dinar	(P) 0.49765
Liechtenstein	Swiss Franc	4.15
Luxembourg	Lux Franc	65.95
Macao	Pataca	12.7625
Madeira	Portug'se Escudo	52.40
Malagasy Rp.	MG Franc	412.5
Malawi (S)	Kwacha	1.5551
Malaysia (S)	Ringgit	4.26875
Maldive Is. (S)	Mal Rupee	14.8048
Mali Rp.	Mali Franc	825
Malta (S)	Maltese £	0.7355
Martinique	Local Franc	8.25
Mauritania	Ouguiya ♣	82.0498
Mauritius (S)	M Rupee	12.016
Mexico	Mexican Peso	33.56
Miquelon	C.F.A. Franc	412.5
Monaco	French Franc	8.47¼
Mongolia	Tugrik	(O)n.a.(g)
Montserrat	E Caribbean	4.6521
Morocco	Dirham	7.27(sg)
Mozambique	Moz. Escudo	52.40
Nauru Is.	Aust. Dollar	1.3583
Nepal	Nepalese Rupee	24.40
Netherlands	Guilder	4.585
Neth. Ant'les	Antillian Guild.	3.00889
New Hebrides	Franc	133.333
	Austl. Dollar	1.3583
N. Zealand (S)	N.Z. Dollar	1.7119
Nicaragua	Cordoba	11.85
Niger Rp	C.F.A. Franc	412.5
Nigeria (S)	Naira	1.167(sg)
Norway	Norg. Krone	9.0275
Oman Sultanate of (S)	Rial Omani	0.577
Pakistan	Pkst. Rupee	16.40 (sg)
Panama	Balboa	1.6810
Papua N.G. (S)	Kina	1.2885

Place	Local Unit	Value of £ Sterling
Paraguay	Guarani	210.38
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.616
Peru	Sol	excA 119.85
Philippines	Ph. Peso	12.5824
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.7116
Poland	Zloty	(Bas) 5.5 (Cm) 55.40 (T) 58
Portugal	Pgse Escudo	52.40
Port Timor	Timor Escudo	52.40
Principe Isle		n.a.
Puerto Rico	U.S. $	1.6810
Qatar (S)	Qatar Ryal	6.60
Reunion, Ile de la	French Franc	8.25
Rhodesia	Pound ●●	n.a.
Romania	Leu	(cm) 8.61 (n/c)(T) 20.7
Rwanda	Rwanda Franc	158.155
St. Christopher (S)	E. Caribbean $	4.6521
St. Helena (S)	£ Sterling	2.8854
St. Lucia (S)	E. Caribbean $	4.6521
St. Pierre	C.F.A. Franc	412.5
St. Vincent (S)	E. Caribbean $	4.6521
Salvador El	Colon	4.21
Samoa (Am)	U.S. $	1.6810
San Marino	Italian Lira	1,428
Sao Tome	Pgse. Escudo	52.3295
Saudi Arabia	Ryal	5.930
Senegal	C.F.A. Franc	412.5
Seychelles	S. Rupee	13.66
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	4.15875
Somali Rep	Som Shilling	(A) 10.45(sg)
Sth. Africa (S)	Rand	1.4696
S. W. Africa Territories (S)	S. A. Rand	1.4696
Spain	Peseta	114.00
Span. Ports in North Africa	Peseta	114.00
Sri Lanka (S)	S. L. Rupee	14.825 (sg) ◆◆
Sudan Rp.	Sudan £	(A) 0.605(sg)
Surinam	S. Guilder	3.00889
Swaziland (S)	Lilangeni	1.4696
Sweden	S. Krona	7.2325
Switzerland	Swiss Franc	4.15
Syria	Syria £	(A) 6.78(sg)
Taiwan	New Taiwan $	(P) 63.878
Tanzania (S)	Tan. Shilling	14.145
Thailand	Baht	34.665
Togo Rp.	C.F.A. Franc	412.5
Tonga Is. (S)	Pa'anga	1.4805
Trinidad (S)	Trin. & Tobago	4.0344
Tunisia	Tunisian Dinar	0.721(sg)
Turkey	Turkish Lira	27.52 (bg)
Turks & Caicos	U.S. $	1.6810
Uganda (S)	Ug. Shilling	14.14
Utd. States	U.S. Dollar	1.6810
Uruguay	Uruguay Peso	(cm) 6.11 (fn) 6.59
Utd A'b Emirates	U.A.E. Dirham	6.62
U.S.S.R.	Rouble	1.26
Upper Volta	C.F.A. Franc	412.5
Vatican	Italian Lira	1,428
Venezuela	Bolivar	7.22(sg)
Vietnam (Nth)	Dong	(O) n.a. (g) (T) n.a. (g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	1.6810
Western Samoa (S)	Samoan Tala	1.0081
Yemen	Ryal	7.57(sg)
Yugoslavia	New Y Dinar	32.2854
Zaire Rp	Zaire	1.4797
Zambia	Kwacha	1.3778

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.
●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.0623 Rh. dollars to £1.
♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs. 5 to one unit of the new currency.
(x) General rates oil and iron exports 7.0602.
(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles the North Vietnamese dong at 0.386 roubles and the North Korean won at 0.7465 roubles. With the pound standing at 1.33 roubles the following relationship could be calculated for the pound: £=5.19 tugriks; £=4.3 dongs, £=1.775 won.
* Rate is the Transfer market (controlled).
** Rate now based on 2 Barbados $ to the dollar.
† Free Rate 420.48.
‡ Now one official rate.
(h) Following devaluation.

FINANCIAL TIMES SURVEY
Tuesday September 28 1976

PROCESS PLANT

Despite the impact of North Sea oil and gas developments, demand for process plant in the U.K. this year has grown more slowly than expected. Export markets present a brighter picture, but here the British industry faces intense international competition.

low limb ut of ·ough

Kenneth Gooding
:trial Correspondent

CLIMB out of recession like being laborious and ully slow as far as the ss plant industry is con- d. This is amply illustra- y the recent forecasts pre- l with the industry's help the National Economic lopment Office. These show Britain's manufacturers of : and equipment should be ing at between 75 and er cent. of capacity over the two years. Certainly that thing to cheer about. But oes look much better than current circumstances e the average work rate in industry is 55 per cent. to er cent. and in some par- ar cases companies have about run out of work com- ely.

Within the overall picture, another feature emerges clearly—that the importance of overseas markets is growing all the time.

The total value of plants to be established overseas during the three years up to the end of 1976 will be more than three times the value of plants for the U.K. So "if the process plant industry is to remain in any health at all it must look outside the U.K. for its bread", according to Mr. A. T. Wright of GEC Power Engineering. Mr. Wright insists that the U.K. has the technical capabilities—its design and manufacturing capabilities are as good as any other country in the world—but is does not have a good record of being able to quote at fixed prices or deliver on time.

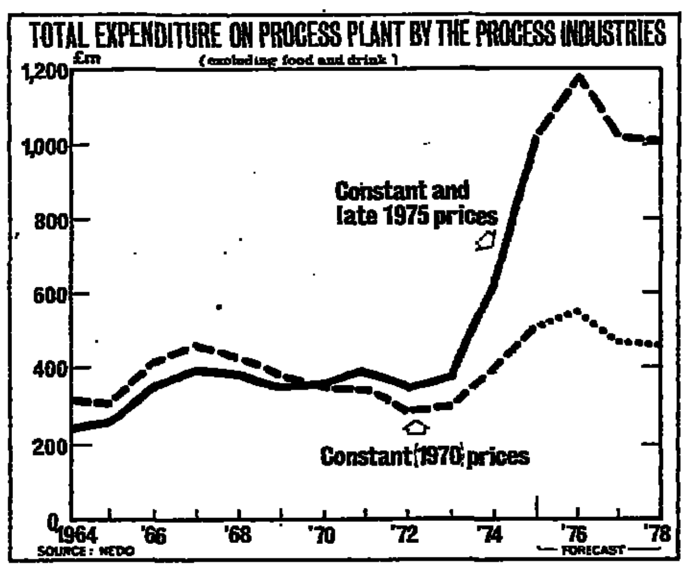
Both difficulties are being overcome and the Export Credits Guarantee Department's inflation protection scheme seems to be a step in the right direction. The problem is that this scheme is so complicated that very few companies have made use of it—or seem likely to do so.

Some of the bigger contractors have had to put their cost calculations on computer, so it is no wonder that only two contracts have been concluded using the cost escalation scheme since it was introduced in February 1975.

What the Process Plant Association would like to see instead is a simple and prompt referral system, only a 'phone call away, to tell contractors how they stand when preparing a bid. As usual, the French, with their COFACE scheme, are held up as a shining example of how it should be done.

The difficulties of contractors called on to undertake fixed-price overseas contracts in a period of high inflation has been reflected in the sharp decline in the last two years in the proportion of material purchased in the U.K. for overseas contracts.

NEDO statistics show that in 1974 the U.K. manufacturers' share of this business was £118m. out of £220m. By 1975 the share was £143m. out of £326m. and this year the forecast is for it to be £161m. out of £432m., or roughly one third.



Inflation

Sir Frederick Warner, chairman of the EDC's process plant working party, the "Little Neddy", believes, however, that the U.K. should be able to get back much of the lost business once its inflation rate settles somewhere near that of its largest rivals. Contracts for really heavy fabrication work and for extremely heavy lifting equipment had been permanently lost to the U.S. and Japan, but this was a limited market.

Sir Frederick echoes the widespread industry complaint that the U.K. nationalised industries could do much more by presenting a steady level of investment instead of the current system where large orders are placed after a period of little or no activity. The nationalised industries could also help the plant and equipment manufacturers by specifying products which could also be sold overseas.

Of course, the nationalised industries themselves would clearly prefer to carry through their investment programmes at a steady rate and to give their suppliers early warning of their requirements. But, they complain, Government interference makes this impossible.

The most recent example of how Government procrastination can hurt the process plant industry was when the Department of Industry postponed once again a decision on the development of the British Steel Corporation's Port Talbot site. This was a very bad blow to the steelwork's contractors, deeply submerged in the worst recession since the war and counting on the £600m. investment at Port Talbot to lift them off the bottom of the trough and to preserve vital jobs.

It now seems that the industry can count on no major BSC orders until late in the spring of 1977, and they have been told that any letters of intent signed in the meantime will be against next year's budget. So there would be no payment until next April.

By that time the companies claim that many of their design teams might have broken up, as people will leave an industry which has no work for them. There is no way it will get them back again and this will seriously damage international competitiveness.

This would happen at a time when the competition is in any case hardening considerably. The Japanese in particular have chosen the process plant business as one with a future bright enough to keep them busy over the medium term at least. There is no doubt that the collapse of the shipbuilding industry world-wide has forced the Japanese to look elsewhere for work and the process plant industry provided one important area ripe for attack.

To take one example among many, Kawasaki Heavy Industries said recently that it will be cutting back its shipbuilding operations in the wake of the world crisis and switching the emphasis to machinery building and the process plant operations.

Its president, Mr. Kiyoshi Yotsumoto, while in London said it was hoped that the process plant business would prove to be a very good growth area which could mop up surplus shipbuilding employees. The group was also looking at ways it could adapt its shipbuilding expertise to the demands of offshore technology—techniques such as welding and dock assembly could be applied, for example.

In spite of recent successes, the Japanese still complain that their inability to provide "cheap" finance as part of a process plant "package" is still holding them back. If something happens to alter that situation, as they promise, then life could get very much more difficult for the U.K. contractors.

Meanwhile, however, the U.K. contractors expect to maintain a high level of activity this year.

The NEDO investments forecasts show total capital expenditure by the process industries in the U.K. is expected to amount to £10.06bn. in the three years to the end of 1978. Of this total North Sea oil and gas production development should account for one-third and expenditure by the chemical industry 23 per cent. This, after allowing for inflation, is substantially unchanged from the forecast made mid-way through 1975.

Reduction

Expenditure on process plant—the hardware—is marginally less than the figures forecast last year because of the reduction in the expected spending on oil refining and on North Sea oil production development.

The other problem sector is electricity supply, where the test estimate from the Central Electricity Generating Board shows likely demand for electricity in the winter of 1982-83 reduced from the 56,000 MW forecast last year to 52,000 MW—a drop equal to two big power stations.

So the forecast for spending on "hardware" over the next three years (at late-1975 prices) is £1.33bn. this year, £1.16bn. in 1977 and £1.157bn. in 1978.

The process industries' own investment programme depends to a great extent on whether the drive for exports succeeds. Forward order books will have to be filled before the industry thinks in terms of signficant new investment.

The industry has forecast that during the three years to 1978 spending on fixed investment will be about £2.78bn.—three times the rate in current money of the expenditure during the period 1972 to 1974. In addition to fixed capital spending the industry is expected to need £2bn. of additional working capital during the same period.

As the Little Neddy pointed out: "Achievement of such a programme requires that the industry should have a high level of cash flow as well as the expectation of adequate profitability from new projects."

The future growth of the industry in the U.K. will also depend on the extent to which foreign-owned companies choose to locate new investments in the U.K. or to establish joint ventures with U.K.-based companies for their European activities, rather than looking to other European countries.

"Given consistent and helpful government attitudes and the right economic legislative and social climate, the industry believes that the (investment) programme can be achieved and that it will provide adequate capacity for expected future prospects of growth of U.K. demand and of export markets, with some margin for additional opportunities," says the "Little Neddy."

Contractors still busy

GLOOMY TIMES these may still be for much of British industry, including to some extent the fabricators of heavy industrial plant, but the process plant contractors based in Britain are still maintaining a healthy level of business. This year they expect to secure new contracts to the tune of £1.885bn. compared with an estimated £1.639bn. last year and £1.39bn. in 1974. And that, even allowing for inflation, indicates a continuing high level of activity.

The same story is illustrated by the value of work on hand at the year end. In 1973, this totalled £1.121bn.: a year later it was up to £1.716bn.; and by the end of 1975 it amounted to £1.82bn.

This compares with a far less healthy picture for expenditure by the process industries within the U.K.: £411m. in 1971, this rose gradually till it reached £721m. in 1974. Then it made a dramatic leap last year, to £1.131bn. but is expected to make only a slight advance in 1976, after inflation is allowed for, to reach £1.322bn., declining in the subsequent two years.

The disparity between the two sides of what is essentially one industry is explained as soon as the figures are looked at more closely. For the big feature of the contracting side of the business in recent years has been its increasing dependence on overseas orders. Thus in 1974 contracts for chemical plants in the U.K. were worth £138m. against £510m. overseas. Last year, the home figure was down to £72m.: that for overseas contracts up to £715m.

The story is similar in other sectors, so that the total value of orders for plants to be erected overseas during the three years up to 1976 was, at £3.642bn., nearly three times the value of orders for plants to be erected in the U.K. Those, according to National Economic Development Office's Process Plant Working Party, came to only £1.272bn. in the same period. Last year, the figure for home contracts was £316m. while that for orders abroad was £1.323bn.

This has various implications for the U.K. process plant industry in general. For the orders received by the fabricators are, to a very large extent, placed by the contractors rather than by the end customers—the company whose chemical plant or whatever is being built. And this means that, as the contractors turn abroad more and more for their business, they place fewer orders at home.

In 1974 their hardware orders from domestic suppliers for plants to be built in this country amounted to £122m., with £71m. worth of business going to overseas manufacturers whose products were imported into this country. Last year U.K. manufacturers secured £221m. of this business, with imported plants reaching £85.5m. And this year, the U.K. fabricators' share is expected to be £150m., with overseas companies picking up orders to the tune of £44.5m.

Foreign

For plants to be built overseas, however, it is foreign fabricators who secure the lion's share. In 1974 orders placed with them by U.K. fabricators putting up plants abroad totalled £102m., with British companies seeing orders worth £118m. Last year the U.K. companies were given orders totalling £143m., with foreign companies having contracts to the tune of £182m. And this year the foreign fabricators are expected to do even better, securing orders from U.K. contractors to a total of £272m. while the U.K. fabricators see only £161m. of the business.

A key factor here has been the level of inflation in Britain, which has caused considerable difficulties both for the contractors themselves in dealing with the fixed price contracts that have become more and more usual and for the prospects of placing fabricating business in Britain.

Last year, it was estimated by the Process Plant Association, which represents both fabricators and contractors, that something like £1bn. worth of export business was lost as the result of inflation, despite the Government cost-escalation insurance scheme operated through the Export Credits Guarantee Department.

At the same time, U.K. contractors were claimed to be losing out to countries like West Germany, with lower rates of inflation, or those like France and Spain which had more effective inflation insurance cover. As a result, only two contracts have been concluded using the ECGD scheme since it was introduced 18 months ago.

The industry's pressure for changes to it brought a response a few weeks ago, when modifications were announced to take effect from the start of next month. First, exporters invoicing in foreign currencies will be safeguarded against possible currency losses on the forward market should a buyer default. This will, in general, apply to invoices of small unit value on relatively short term credits—acounting for perhaps 10 per cent. of total export invoices.

Secondly the scheme will now enable buyer credits—and some 90 to 95 per cent. of large plant contracts are financed by these; last year the total value of contracts so covered was £864m.—to be arranged in foreign currencies.

What this means is that the British exporter will be able to quote or invoice in a foreign currency—probably the U.S.$—and, when sterling is depreciating, sell the foreign currency forward to buy pounds, thus either making an extra profit in sterling terms or being able to quote a lower price. And that could be a crucial factor for contractors which thanks to Britain's high inflation rate, have had problems in being price competitive.

Contractors have by and large welcomed the news of the change. But it still has its drawbacks. Primarily there is the complexity of the whole thing, and in particular the need for a great deal of expertise to handle the financial intricacies—which is also among the criticisms levelled at the original ECGD cost-escalation insurance scheme.

Ideal

The British industry's ideal remains a cost-escalation cover arrangement like that operated in France. So, despite the current healthy level of activity, the contractors are still facing problems as they go on operating in a highly competitive market, even though in 1973 they ranked second in the league table of export contract winners drawn up by Chemical Age.

In that year, the one taken by the Industrial Plant and Steelwork sector working party of the National Economic Development Office for its report in connection with the Government's economic strategy, U.K. contractors accounted for 15 per cent. of export contracts on hand or recently completed, with business totalling £601m. That was way behind the U.S., with 48 per cent. (£1.845bn.), but ahead of West Germany (12 per cent. and £454m.), France (12 per cent and £473m.), Italy (7 per cent. and £282m.) and Japan (6 per cent. and £231m.).

Since then the relative success of the U.K. companies has probably declined slightly as inflation has increased. And, quite apart from the basic question of inflation and price competiveness, there are other problems looming. For there is a growing demand in overseas markets for the development of process plant and associated installations through very large turnkey contracts.

One problem is that of joint and several liability where consortia are involved in large overseas contracts, something the Government has now announced measures to deal with. But another, and more fundamental, is the structure of the industry.

Some of the U.K. companies involved in it are very big indeed. Davy Powergas, for example, with 1975 sales of £143m., is eleventh in international ranking. But that is the highest placed British company. And, leaving aside the U.S.-owned Foster Wheeler (American-owned contractors based in the U.K. are an important part of the industry, securing 57 per cent. of the project work in Britain in 1974 and exporting a significant proportion of their services), our next highest-ranking contender, Sim-Chem, is down at 27, with Humphreys and Glasgow in 33rd place, Constructors John Brown 34th, Matthew Hall 42nd, Cryoplants 45th, and Woodhall Duckham 49th.

All are big and largely successful companies, operating very successfully for the most part in the international arena. But it could well be argued that none is big enough to tackle really successfully the likely future demands of the international market place.

The sector working party is in little doubt about this. It calls for consideration to be given to ways of strengthening the U.K. contracting industry, and puts forward as one possibility Government encouragement of the natural growth of one or more of the leading companies in the field. It suggests, too, that the nationalised industries might also be encouraged to play a bigger role in overseas projects.

David Walker

Caution prevails in chemical sector

IN A DOCUMENT sent to the Government commenting on forecasts of growth likely to be experienced by various industries over the next few years, the Chemical Industries Association has recently felt obliged to point out that the Treasury has got its sums wrong.

The Treasury in a paper put before the National Economic Development Office had projected an annual growth rate of some 10.8 per cent. for chemicals over the medium term, against a 7.9 per cent. rate for manufacturing as a whole. A less optimistic scenario in the same paper still suggested an 8 per cent. annual rate for chemicals.

But although this degree of confidence in the ability of Britain's chemical producers to continue to outshine other industries by a wide margin is flattering—and would no doubt please the manufacturers of process plant—the suggested growth rate is unlikely, as the C.I.A. points out, to be achieved.

The CIA has similarly looked at its figures again and come to the conclusion that the sample of companies it chose perhaps represented a greater proportion of total investment than it had previously thought. The Association now believes that some of the smaller companies not covered by its survey, for which investment assumptions were made, may have been harsher in pruning their spending in 1975 than had been calculated.

With a lower figure on which to base estimates of likely growth in spending the Association now reckons this year's total may not be reached by a margin of 10 per cent., with investment taking place, instead, later in the three-year period.

Delay

Another factor which may delay investment plans is the new uncertainty in recent months over the prospects for demand for the rest of this year. In the first six months, output by the industry was up around 8 to 9 per cent. over the average level for last year, and substantially higher than output at the bottom of the trough.

More recently, however, there have been some signs that a plateau has been reached. The home market remains relatively sluggish, and after an initial phase of restocking early this year export markets are having to be won against strong competition.

All of this seems likely to ensure that projects are subject to more caution, with announcements expected in the middle of this year perhaps not likely to be made before the end of the year, and with construction and start-up also being similarly delayed.

An example of this is Shell Chemical, U.K.'s continuing hesitation over major expansion of ethylene capacity. The company has confirmed recently that a decision is near on a £20m. expansion of its low-density polyethylene facilities at Carrington, near Manchester, adding 70,000 tonnes capacity, and a further 60,000 tonnes of ethylene output is hoped for as a result of debottlenecking another plant on the same site. The go-ahead has also been given to a number of other smaller schemes including an £8m. new synthesis gas unit at Stanlow in Cheshire.

Shell is continuing to take its time, however, in deciding whether to go ahead with a new "world scale" ethylene plant expected to cost around £150m., with an output of around 450,000 tonnes. Though the Government is known to be anxious that several more ethylene plants should be built by 1985, so that full advantage can be taken of access to North Sea oil through the production of higher added value downstream products, at present only one new naphtha cracker for producing ethylene is under way. This is the 500,000 tonnes a year plant being built jointly by ICI and BP on Teesside at a cost of £5.40m., which is due to be completed next year and to come into full production in 1978.

Apart from the sheeme being considered by Shell, other possibilities include the development of a new ethylene plant in Scotland, based on North Sea heavy gas liquids available from the Brent Field. Dow, which has been considering such a scheme for almost a year, is thought to have moved it down several places in its list of investment priorities. Esso has recently confirmed, however, that it has begun studies into the possibility of building an ethane-based ethylene plant in Scotland.

Delaying tactics by the big companies are giving them a chance to see how the recovery continues in both Britain and other markets, and even more significantly, will provide further information on the likely success of Britain in countering inflation. High rates of inflation coupled with prices and profits controls have made it very difficult for companies to achieve the returns required to justify new investment.

But although the future scale and timing of new projects in the chemical industry depends as much as ever on Britain's ability to emerge from its economic problems, a number of schemes — some of them decided upon as an act of faith at the bottom of the recessionary trough — have managed to work their way through to the front of the pipeline to provide work for the process plant industry over the next few years. Though toppled within the last two years from its position as leading customer of the process plant suppliers — losing that role to the oil industry — chemicals is still expected in the three years 1976-78 to account for around a quarter of process plant purchases.

Apart from the BP-ICI naphtha cracker, on which much of the work has now been completed, another major scheme on Teesside involves the U.S. company Monsanto, which is spending £150m. on a new acrylo-nitrile plant and on a new polyamides intermediates plant, the latter to be built jointly with Montefibre, the Italian fibre producer.

Another U.S. company, Borg-Warner, is also expanding in plastics in the U.K., with new facilities for the manufacture of ABS and MBS modifiers due to come on stream next year. BP also has plans to invest in new facilities to produce acrylonitrile, through Border Chemicals in which ICI has a one-third stake, though this project has not yet been given the go-ahead. BP is currently about to start work on a £55m. plant at Hull for the manufacture of acetic acid and is thought to be near a decision on expansion of styrene monomer at Forth Chemicals, Grangemouth (25 per cent. owned by Monsanto), at an estimated cost of £50m.

Projects

ICI, apart from its new joint ethylene plant, has recently commissioned new chlorine facilities, and is due to bring into production a further 80,000-tonne unit in the north west of England next year. Downstream investment in trichloroethane has also been announced. The company gave news at the end of last year of a £10m. scheme to expand pvc capacity, and has a large number of smaller projects at various stages of construction.

Apart from these schemes by the major companies operating in the U.K., work is also now going ahead on the £85m. re-building of the Nypro caprolactam plant at Flixborough which was destroyed in an explosion in June, 1974. The plant, jointly owned by the National Coal Board and DSM of the Netherlands, is likely to be completed towards the end of next year.

In the fertiliser field, a Scandinavian consortium, Scanitro, is planning to build a 350,000-tonnes a year ammonia plant at Peterhead in Scotland, at a cost of £50m., using natural gas from the Frigg field as feedstock. ICI is also currently engaged in building a major new ammonia plant on Teesside.

Another U.K. producer, Shellstar, which is 75 per cent.-owned by DSM and 25 per cent. by Royal Dutch/Shell also intends to increase capacity in Britain with a £14m. extension to existing facilities and construction later of a £40m. second plant. These projects are dependent, however, on negotiations over the price to be paid for natural gas feedstock.

Perhaps the main boost which the U.K. chemical industry and the process plant makers are waiting for, however, is the arrival in much greater force on the British scene of Continental chemical companies. With some exceptions, the major producers have not become involved in basic chemicals or plastics manufacture in the U.K., though most sell in the British market.

The availability of secure supplies of North Sea oil, and the environmental advantages of location in the U.K. compared with the now overcrowded sites on the Continent had been expected to tempt a number of companies to consider the U.K., but so far interest appears not to have been transferred into plans or plant. Here again, a resolution of the U.K.'s economic problems, and in particular inflation, are likely to be a pre-condition of any substantial moves.

Rhys David

North Sea fields lead the way

RDING to latest forecasts evelopment of North Sea gas production facilities account for a third of 10bn. capital expenditure e process industries over ree years to end-1978. Such importance of this new w major industrial sector has done much to reshape business outlook of nies supplying process sts.

spects in the offshore t are reasonably bright, what appears to be er surge of ordering on orizon. This upturn will ave come too soon; it is *wer two years since an oil* ny decided to develop an re find—two years without duction platform order.

remains to be seen how irreparable damage this in ordering has caused *g the supply industries.* Offshore's Graythorp at Hartlepool, which ssfully built platform ures for BP's Forties Field Burmah's Thistle Field, has forced to close. Most of *800 workers, trained in* technology, have been laid

dpath Dorman Long's contion yard at Methil, Fife, a similar fate in February 1,350 workforce also face *ndancy unless an order* s very soon. And then are two Government-ed construction docks in and that have yet to start

tention

e platform builders have itably attracted most of the ic attention. After all, the t construction sites were ifically created to cater for *new oil and gas "boom"*; size of the structures they uce depicts the size of the ving offshore market. But r manufacturers further nstream, the module lders and equipment *ppliers, have also been hit.* r many the disappearance of lers was a bitter reward for dly changing their manufacing emphasis.

he severity of the drop in hore development has sured almost everyone: induslists, trade unions and ernment officials alike. It ns that all the oil companies ded to review their forward mitments at the same time. n the first oil-fields coming on stream they had a better idea of costs, technology, and political climate. It was time for them to study the prospects of using alternative, less costly methods of production, to review the record of the supplying industries, to evaluate the latest Government policies and to work on new financing packages.

Less than 15 months ago the *National Economic Development Office* was forecasting a rate of platform ordering which now, in the light of experience, looks like no more than wishful thinking. Based on University of Aberdeen estimates, NEDO *foresaw 33 platforms being* ordered over the five years to 1980. No fewer than nine of the contracts were expected to be placed this year.

NEDO's latest process plant report, published in July, paints *a very different picture. Only* three orders are now anticipated: one each in 1976, 1978 and 1979.

The pessimism expressed in these latest figures are as extreme, and unrealistic, as *last year's optimistic forecasts.* A straw poll of oil companies carried out by the Financial Times suggests that as many as seven or eight fields might be declared commercial next year. These findings are confirmed by two other independent but as yet unpublished surveys.

Not all of these fields will be developed with conventional fixed platforms, however. The Transworld Group, for instance, is expected to use a floating system, perhaps a converted semi-submersible rig, to develop its Buchan find. British Petroleum has been evaluating a tethered or tension-legged platform, as well as conventional structures, for its Magnus Field. And several operators have looked at the possibility of installing sub-sea production systems of the type which has been installed experimentally on Shell/Esso's Brent *Field.*

Consequently the recent statement of Dr. Dickson Mabon, Minister of State for Energy, that there was a "reasonable possibility" of three or four platform structures being ordered next year seems to be realistic.

The longer-term prospects are even more difficult to assess but even here the signs are encouraging. Wood, Mackenzie—stockbrokers and North Sea oil analysts—believe that 14 new fields could be developed over the next few years, precisely the same number as declared commercial up to now.

If these finds are exploited (and in view of the cost, technological and political uncertainties that must remain a big "if") Britain's commercial oil reserves could rise from the *present 8.3bn. barrels to 13.4bn.* barrels. The cost of developing these fields is currently estimated to be more than $12bn., with the peak possibly occurring in 1979 or 1980 when the outlay might be about $3bn.

Predictions

It is interesting to compare these independent predictions with those of the Government. Dr. Mabon, for instance, has stated that by the end of this year between £3bn. and £4bn. will have been spent on oil production systems; by the end of 1980 this figure might have reached £6bn. to £8bn.

The opportunities for equipment manufacturers extend well beyond the need for oil production platforms. For the first time in its history Britain has become an exporter of oil, in both crude and refined form. This has entailed the construction of new treatment plants, storage facilities and shipping terminals. The Occidental Group has just completed such a terminal in the Orkney Islands to handle crude from the Piper Field. The terminal is now being extended to cope with oil from the Claymore Field as well.

In the Shetland Islands, a whole host of companies are involved in the development of *the Sullom Voe terminal. Costing* between £450m. and £500m. and destined to be the biggest in Europe, the terminal will handle oil from a number of fields including Brent, Cormorant, Hutton, Ninian and Thistle.

Both the Shetland and Orkney communities have outline plans for the development of further terminal facilities in the islands. It is possible that a new terminal will be built in a different location; perhaps in the Moray Firth—a prospect made more likely by the recent MESA find.

There will also be business opportunities for those companies involved in pipe manufacturing, coatings and ancillary equipment, although sadly, Britain still does not have the capacity to build large diameter pipes suitable for the North Sea trunk transmission systems.

This means that unless the situation is rectified—and there has been no tangible sign that British Steel will instal the necessary production capacity—the U.K. will miss out on much of the future pipe-fabricating work. *New oil pipelines may be* needed for some of the larger North Sea discoveries, like Pan Ocean's Brae Field. The Government is investigating a scheme, costing well over £1.6bn., to lay a grid of pipelines to collect natural gas from as many as 30 fields and unnamed discoveries.

Last year British industry captured only five per cent. of the offshore pipe market but this result was in marked contrast to most of the other North Sea activities. For example, British companies are meeting all orders for pipe coatings, 98 per cent. of orders for safety equipment and 95 per cent. of the content of steel production platforms.

Overall, British industry has increased its share of the work content in the North Sea to over 52 per cent., as against 40 per cent. in 1974. Given the oil industry's agreement to pro*vide U.K. companies with a* "full and fair opportunity" to compete for orders, it is likely that the U.K. will push up this share to around 65 per cent. at least.

A strong foothold in Britain's *offshore oil and gas venture is* not only important for its own sake. Knowledge gained in providing equipment for deep water exploitation will be invaluable for companies seeking work worldwide.

The Department of Energy's Offshore Supplies Office estimates that the world market for offshore oil production equipment could be worth between £5bn. and £6bn. a year. The growing number of trade delegations from countries like China, India, Brazil, from established oil producers in South East Asia, South America and Eastern Europe, indicates that Britain's recently-gained expertise is becoming recognised.

So with the emproved climate at home and the export opportunities abroad, the British offshore supply industry has a renewed opportunity for growth.

Ray Dafter

Steel industry remains a strong runner

THE White Paper on Public *enditure published* last ruary, the Treasury pointed a downward revision of ital expenditure in almost all nationalised industries with major exception of steel, se investment programme ains as strong as ever—if actually stronger.

espite the intense debate rounding BSC's oft-reviewed much-criticised ten-year tegy and despite the recent back in nationalised industry estment and the *extraordi-y* Government indecision r the Port Talbot proposals, is now emerging as the le most important State ustry market for the process nt companies both in terms *actual expenditure* and in ms of the pace of growth.

igures produced by the Little ddy on process plant suggest t expenditure on process nt by steel (at 1975 prices) ring nearly doubled to £109m. t year will go on rising to 6m. this year, £156m. in 1977 d around £175m. in the two lowing years, overtaking ctricity generation with an pected expenditure of around 30-£140m. in the years 1977 1 1978.

Overall capital expenditure the Corporation, on the Little ddy figures, is meanwhile edicted to rise from £452m. 1975 to £565m. this year, 47m. in 1977, £726m. in 1978, 24m. in 1979 and then fall ck to £644m. in 1980.

The importance of the BSC ogramme lies not just in the e of its overall commitments t the range and geographical versity of work for conactors and suppliers. This ar alone will see it starting me 40 projects costing more an £3m. and they are widely distributed across its regions.

The northern region around Teesside continues to be the point of largest expenditure, accounting for 37 per cent. of the Corporation's new investment at present. At Redcar, the Corporation is proceeding with the second *stage* of its major new plant programme including £158.4m. on phase A (coke oven battery, pelletising, sintering and burden-preparation facilities) and £212m. on phase B (the new blast furnace, power station and additional coke oven) as well as £133m. on associated works such as site clearance and expansion of capacity in the mills. Nearly £16m. is also being spent at Consett on billet mill enhancement.

Complex

In Wales, which accounts for a further third of the expenditure, the Corporation is spending over £56m. on *a tinplate* complex at Ebbw Vale, over £120m. at Port Talbot on a new sinter strand, coal handling system and replacement of coke ovens; and over £42m. on a new coatings complex at Shotton.

In Scotland — which accounts for about 10 per cent. of BSC's current expenditure but whose proportion is likely to rise substantially over the long term in view of the plans for major new plants at Hunterston and Ravenscraig — BSC is already spending £86m. on an ore and coal terminal and £57m. on direct reduction plants at Hunterston and a further £200m. at Ravenscraig on Stage III development there, *including* coke oven, continuous slab casting and slab reheating and improvements to iron and steelmaking.

At Sheffield, meanwhile, a total of nearly £12m. is being spent on the development of finishing banks at Adwarke; £55m. on cold rolling and plate finishing facilities at Shepcote Lane; £42.5m. on a new and improved bar mill at Thrybergh and other works in the region and £44.7m. on steelmaking and continuous casting at Tinsley Park. A total of some £73m. is also now being invested in the Tubes Division at Corby, Clydesdale, Hartlepool and Imperial and a major programme of nearly £200m. is now under construction at Scunthorpe to provide new coke ovens, rod mills as well as billet mill improvements at Appleby-Frodingham and Normanby Park.

The crucial question overhanging the future investment programme of British Steel is not so much whether its capital expenditure will continue to grow over the coming years but whether the next phase of its *ten-year strategy and beyond* — the major new steel making plant scheduled at Port Talbot, a new plate mill and further steel-making plant at Teesside, a long-term possibility for a new major plant at Hunterston and additional investment in other centres such as Scunthorpe — will go through in the form and cut the pace originally envisaged.

The answer to this question depends on a number of factors. One—perhaps the most important—is the pace of demand. Set against the slowness of the present economic recovery and lower demand growth forecasts for the next *ten years,* BSC's original strategy for raising capacity to over 30m. tonnes by 1985 looks distinctly optimistic.

A second is the political response, in turn influenced by union response, to the unemployment which the strategy inevitably implies. Mr. Varley, the Industry Secretary, has already intervened to deal yet again in the Port Talbot-Shotton steel-making decision, leaving the Corporation with the awkward option of going ahead with a £350m. investment in coke ovens, continuous casting facilities and a new hot strip mill without a commensurate increase in steel-making capacity.

Attitude

A third is the technical problems as well as human difficulties associated with the new large-scale plants, as illustrated by the recent troubles at Llanwern. A fourth is the presence of a new chairman in Sir Charles Villiers and his attitude to large versus smaller mini-plants and his sensitivities to Government views.

How these factors will work out is anyone's guess at present. There are signs of a re-think in the Corporation on the choice the mini versus large scale plant. There are signs that demand as well as politics are serving to delay decisions on some of the larger-scale investment at Teesside as well as Port Talbot and to make the rating review of Corporation investment plans more "flexible" and more uncertain.

Yet the basic commitment to the ten-year strategy remains. For all the problems of the moment, one's guess is that the strategy will proceed but that it will take place more gradually and with more changes at the edges than seemed likely a year ago.

Adrian Hamilton

Excess refinery capacity

WITHOUT the North Sea the U.K. process plant industry would be in a perilous if not hopeless state. It has been the succession of oil and gas discoveries over the past six years which has given impetus to an entirely new market on industry's doorstep—or quayside, as it were. And it has been the results of this impetus, reflected in the continued heavy investments in on-shore and off-shore facilities to produce the oil, which has prevented the recession and the savage decline in ordering in other sectors of the market such as power station construction from biting more deeply than it has done—although it has not by any means saved the industry.

Yet North Sea development has no more remained untouched by the impact of recession than any other industry. The sheer pace of exploration in the early 'seventies and the development programmes on the major fields discovered then continue to provide a high rate of expenditure off-shore, but the sudden slowing down in new investment over 1974-75 has already led to a serious downward revision of future expenditure estimates from previous expectations and, although there are signs of recovery, few believe that the pace will ever be sufficient to absorb all the construction capacity built up in the meantime.

Similar tension can be seen in the area of refining and on-shore investment. On the one hand the development of oil fields, particularly in the far north, has induced considerable investment in processing, storage and transshipment facilities on the Shetlands, Orkneys, at St. Fergus (for gas), at Cruden Bay, at the Firth of Forth and at Teesside. More than that, it has encouraged companies, prodded with varying degrees of force by the Government, to consider new refining and process investment to upgrade facilities and perhaps build new export-orientated facilities to cope with the flows of oil and gas.

Revision

But on the other hand the recession has equally led to a drastic revision of demand forecasts for oil and has hence raised fears of long-term overcapacity of plant even at existing levels, never mind the addition of new facilities. This is particularly so in the U.K. where, again partly encouraged by Government fiscal incentives, a considerable refining capacity has already been built up.

Excluding new refineries but including expansion schemes already in progress at Amoco's Milford Haven refinery and Conoco's Killingholm refinery, crude distillation capacity in the U.K. is expected to rise to 152m. tonnes within a few years. Against this, inland demand for oil products has fallen from around 100m. tonnes in 1973 to only some 82m. tonnes last year. E... on relatively optimistic GNP growth rates—and Treasury predictions are always optimistic—it is unlikely that demand will recover its 1973 peak much before the end of the decade or that existing capacity will be strained before the mid to late 1980s.

It is against this background that the debate on downstream investment is now taking place. The Government for its part—with an eye on Scottish nationalism as well as on investment and employment—has been anxious to ensure that as much oil as possible is processed in the U.K. and that the North Sea developments result in added investment—at least in upgrading if not also in new plant. The oil companies for their part are concerned not so much with new investment prospects as with the continuing surplus of capacity and the fear of what new plant or politically-inspired developments could do to prices and returns.

It is not an easy debate to disentangle. Despite the early tendency to conduct it in terms of whether North Sea oil was or was not suitable for the product demand pattern in the U.K., there is little reason to believe that, of itself, North Sea oil cannot be largely absorbed into the U.K. system. Broken down under the normal distillation process, the pattern of products it produces is not too far out of line with the pattern of U.K. demand, particularly since that demand is tending to move towards a great emphasis on gasoline, naphtha and the lighter products.

What the argument is really about is two separate but interrelated questions. One is whether the economics work out in favour of using a major proportion of North Sea oil at home and exporting the value-added products or whether it should go with the market and be exported to a substantial extent as crude.

The other is whether the market or the presence of North Sea oil will induce companies as the Government wishes to invest in new plant to upgrade oil towards the lighter fractions as well as further processing facilities in petrochemicals.

So far the Department of Energy — for understandable reasons—has tried to handle it as flexibly as possible, being committed to an "intention" of seeing two-thirds of U.K. North Sea oil refined domestically but in practice playing it by ear as the decisions come up. As it seems to be working out, the companies are getting their message across on the issue of crude oil exports and the need to avoid adding to the surplus in refinery capacity but the Government's view on the need to see more upgrading facilities is also looking to be more justified with time.

On the question of exports and new distillation capacity the argument is essentially one of the market and what it will bear. The companies' view on exports is based largely not on their ability or inability to absorb physically North Sea oil of a different quality from their present pattern but the fact that considerable investment has already been made in plant to crack the heavier fractions (at least in the case of BP) and reducing sulphur content so that to use low-sulphur North Sea oil would be to waste this investment and so lose the advantage (an argument strengthened further by freight rate differentials on crude versus product carrier) of selling crude into a hungry European or U.S. market. And to this extent North Sea oil looks like replacing imports of lighter oils from Nigeria and Libya in the existing crude balance rather than replacing lower cost heavier oils.

Confused

BP has already been allowed to export a few shipments of its early North Sea production and the next few years will see a rather confused picture as the Government attempts to get companies with North Sea oil but without refineries (the Occidental group, for example) to sell to companies with refineries but without early oil flows. As the oil flows build up : 50m. tonnes or more in 1978 and after, the pattern should then settle down, and provided that the Government does not move to intervene in oil flows or use the British National Oil Corporation to do so, could result in a pattern in which perhaps 50-60 per cent. of the crude oil going into U.K. refineries is from the North Sea and the rest continues to be imported.

Whether the surplus volumes of North Sea oil will encourage investment in refineries hangs then on both the market and the ambitions of the BNOC. In so far as any refinery would be dependent on the domestic market, it looks unlikely to happen. Although there are a number of grass roots schemes on the drawing board—most notably Occidental and United Refineries' parallel application at Canvey Island and Burmah-Total's at Cliffe near the Thames Estuary—and although the Cliffe and Occidental schemes have overcome most of the planning obstacles, all seem to have ground to a halt precisely because of the demand problems.

The future of Occidental's scheme and even more Cromarty Petroleum's proposal for a major new refinery at Nigg in Scotland really seem to depend on export contracts for all the concentration of environmental problems which has so far surrounded them. And this export market problem in turn revolves round a number of uncertainties as the future course of U.S. policy and refinery growth (at the moment looking favourable for imports) and to the potential impact of Middle East export refineries built up in the oil producing countries. At this stage the odds seem rather against early construction of a new refinery in the U.K., although Cromarty looks the most likely. But the next year or so could change this.

But if the prospect for work for the process plant industry on green field refinery sites does not seem that optimistic, the prospect of work in new upgrading plant (basically catalytic crackers) seems increasingly bright and, with each unit costing as much as £70-£80m., the work is far from negligible.

Shell is just completing such a unit at Shellhaven, Total has announced plans at Lindsey while Mobil is embarking on similar investment in Coryton and Texaco and Gulf have recently revealed that they are considering such a joint plan at Milford Haven.

According to the most recent estimates by the "Little Neddy" on process plant, even without new refineries this kind of investment should keep refining investment at a level of a little over £100m. a year through this year and next, dropping to £85m. in 1978 and to £45m. in 1979, at the moment when a decision on a new refinery could come. It is significantly lower than was expected last year or the year before when projections were m... and it bears only a limited relationship to the North Sea (upgrading would probably have occurred anyhow for demand reasons). But it is far from negligible.

Adrian Hamilton

Queries in power supply area

WHEN POWER station building in Britain was going ahead strongly in the 1960s to meet a seemingly inexorable growth in demand for electricity the Central Electricity Generating Board (CEGB) was spending some £500m. a year. But the oil prices crisis and the consequent upsurge in all fuel prices quickly demonstrated in Britain that the electricity consumer could relate demand to price far more closely than energy theorists had believed possible.

Electricity experienced a drop in sales unprecedented in peace-time. By the end of 1975 demand was 8 per cent. lower than a year earlier. A mild winter helped to depress sales even further during the early months of this year. The CEGB investment programme has already dropped to between £250m. and £300m. a year which, at ruling prices, amounts to roughly only one-quarter of the investment levels customary in the 1960s.

The most realistic and probably most accurate examination of future prospects in the British market available so far has come from the CEGB itself recently in the form of a Corporate Plan. The Board bases its projections up to 1990 upon a "most optimistic" energy case and a "most pessimistic" energy case. If the rate of growth in electricity demand follows the pessimistic forecast then no new power plant at all will be needed until after 1990. If the most optimistic case were to be experienced then the Board would need to order one new main power station (a £500m. plus order) in two or three years' time. After that the CEGB capital spending programme would provide as much work as the power plant sector could handle.

The probable demand for electricity in Britain lies somewhere between the CEGB's two extreme cases. Thus it is unlikely to be sufficiently strong to keep the industry occupied with new work. The CEGB is being understandably cautious about the future and has said time and again in response to pleas from the industry for more information that (1) there will have to be flexibility in all its long-term planning to take account of unpredictable shifts in demand for electricity, and (2) it will not order any plant before rising demand absolutely compels the orders to be placed.

The Board is already rationalising its power generation plant to secure maximum efficiency in production now that demand for electricity is lower. Some 47 power stations —mostly older ones inconveniently sited in towns—are being phased out completely and there is a gradual reduction of manning in the CEGB with the object of raising productivity.

Smoothly

Meanwhile the nuclear programme continues with the long-delayed and trouble-plagued second generation stations based upon the advanced gas-cooled reactor. The first of these stations at Hinkley Point is now generating power and is working much more efficiently and smoothly than detractors of the system predicted, or the CEGB and the constructors had dared hope. Its present performance in its early days is already almost equal to the best of the first generation nuclear stations.

However, the CEGB is being cautious and will want to have two years of full operating experience with this first AGR before coming to firm conclusions about the design. The three other English AGRs, Hartlepool, Heysham, and Dungeness, are in various stages of building as is a fourth in Scotland for the South of Scotland Electricity Board.

The Government is considering whether to order one new nuclear power station, primarily to keep the British nuclear power station industry alive. The CEGB stresses that it will not need such a unit in the foreseeable future in order to maintain power supplies. The CEGB has been working (on Government instructions) on the steam generating heavy water reactor concept for the last two years. However the early performances of the Hinkley Point AGR must make it at least a possibility that the Government will finally decide to order a further AGR design. Whichever power station design is chosen the work load for the power plant industry will be about the same and will be warmly welcomed.

Another Government move to help the industry is being considered. The CEGB may be asked to order a major new coal-fired station some years in advance of the Board considering it necessary to place such an order. The coal station would be built alongside the existing station at Drax, Yorkshire, and would burn coal from the new Selby coalfield which the NCB is now beginning to develop. The CEGB would expect the Government to support it by covering the extra costs of the early ordering of Drax B. If the Board is left to decide for itself it will delay the order to phase-in the Drax station with the development of the new coalfield.

Maintenance and the improvement of existing power stations and transmission systems will continue to provide an income for the power plant industry. But it is a poor substitute for the full flood of designing and building new power stations at the rate of several at any one time. The industry recognises that it has to attune its activities to a new set of circumstances which, in the heady days of the 1960s, would have appeared unbelievably gloomy.

The type of fuel used to generate power is the key factor in decisions about future power stations. The miners have been pressing the CEGB to build another coal-fired power station to use more coal. The Board, on the other hand, points out that one new coal-fired power station such as Drax will mean the disappearance of several older coal-fired power stations to balance the supply/demand situation. As Drax will be much more efficient than the old stations the net result will be that the CEGB will burn less coal to produce the same amount of electricity.

The Government seems to be committed to backing the order of at least one nuclear power station to follow the present AGR building programme and maintain the British nuclear industry in work during the early 1980s. That station, when completed, will have a dramatic effect upon the economics of power production. The CEGB already has more nuclear stations building than it needs. It will probably have one more added for political reasons. The Scots have a nuclear station building which is not essential to supply current power needs.

The net result of these programmes is going to be a steady swing towards nuclear power for generating electricity base loads in Britain. Thus the CEGB is going to find it increasingly difficult to burn the quantities of coal that the Government and the miners would wish for social stability. Already the CEGB's consumption of oil has been reduced to little more than 10 per cent. of coal usage so there is not much room there for manoeuvre by switching from oil to coal.

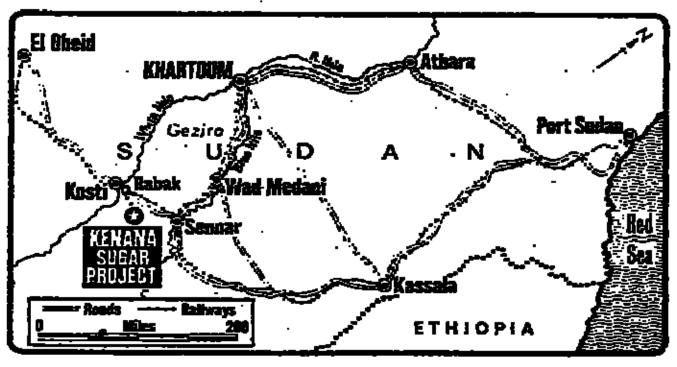
Roy Hodson

The Management Page

EDITED BY JOHN ELLIOTT

A sugar estate in Africa's largest country may provide the key to successful large-scale project management for a major trading company. **James Buxton** outlines the progress to date.

Lonrho pins some hopes on Sudan



:AR ESTATE in Sudan, . will eventually rival in me of the major estates world, is currently the : development project undertaken by Lonrho, :ernational trading group en in the headlines for ontroversial manner in its top management s to operate.

project is significant for :easons. First, Lonrho, : its impressive growth in years and its high ons, has developed ely few large-scale pro- second, while Sudan is ggest country in Africa as undoubted agricultural ial, it has only recently e a popular place for investment.

objective for the estate, as Kenana, is that by t should be producing at 300,000 tons of refined from 80,000-acres and ying about 15,000 people. complex will be about times the size of any other plant in Sudan and the t joint sugar plantation actory ever built simul- usly in the world. If all well Kenana, on which began last year, should ee its first sugar in 1978.

:oblems

irho, as manager of the :t, has had to face a whole of problems to get the :t under way and many difficulties still have to urmounted. Sudan is a oping country with a industrial infrastructure 1 shortage of management :tise. Despite such con- 1s, Lonrho has long wanted eak into the field of major :cts which would challenge major African operators like Anglo-American and Union Minière. Attempts in the past to mount such challenges in Zaire and Senegal, for example, were unsuccessful for a variety of reasons, leaving Lonrho in Africa as a conglomerate of mainly "colonial-type" agricultural, mining and trading operations.

But in Sudan — which Lonrho does not in fact embrace within its African operations — it has so far succeeded, thanks to persistence and its strong Arab connections.

Lonrho has only a small, 5.5 per cent., equity investment in the Kenana Sugar Company's paid up capital of £ Sudanese 40m. (£62m. sterling), but it has been a major driving force in assembling the other investors. They are the Sudanese government and Sudan Development Corporation, with 50 per cent., while the balance is held largely by Arab interests, with the Japanese having a small stake. Thus, it has become the largest commercial joint venture in Sudan.

The Kenana scheme has been under consideration by both Lonrho and the Sudanese government since the beginning of the decade, and the go-ahead for a feasibility study was given by President Jaafar Mohammed Nimairi in 1971.

The idea was to level and irrigate a large stretch of the fertile alluvial plain between the Blue and White Niles 180 miles south of Khartoum; construct a sugar mill and refining plant; sell half the output to the sweet-toothed Sudanese market and the other half to the Arab world; involve some proportion of commercial foreign investment; and manage the project using Lonrho expertise developed elsewhere in Africa, which effectively meant importing expatriates to run most of it.

Such a scheme might seem ambitious in any developing country, but in the early 1970s to attempt it in Sudan appeared strikingly so, particularly to some of Lonrho's directors. It was to emerge as a factor in the now legendary boardroom split which resulted in eight Lonrho directors trying unsuccessfully in 1973 to oust Mr. R. W. "Tiny" Rowland, the managing director.

It was ambitious for two reasons: first, because although President Nimairi's government was anxious for foreign investment there would inevitably be serious institutional and political problems connected with such a large project; and second, because of the risk in starting a project for which everything has to be imported and at least half the product exported from a spot more than 600 miles away from the only seaport, and connected to it by a congested, low capacity single track railway.

Tiny Rowland's personal contacts with African and Arab leaders are well known but it has been pointed out, on the whole fairly, that major Lonrho projects have sometimes foundered because contacts with almost equally influential civil servants and local businessmen further down the line have not always been as good. In the case of Sudan, Mr. Rowland at an early stage established good relations with President Nimairi, who came to power in a bloodless military takeover in 1969. But Nimairi's first moves were to nationalise foreign businesses, and when he later tried to swing away from that policy he was almost toppled by a Communist coup in 1971.

Since then he has vigorously pursued the cause of economic development in a mixed economy and appears to have won the support of most political groups in the country for his policy of few restrictions on foreign investment. But a large-scale project like Kenana required special handling, not least because of the comparison that might be made with the State-owned Sudan Sugar Corporation, whose first two plants were initially only partially successful.

Exchange ideas

However Lonrho appears to have overcome this difficulty: the managing director of the Sudan Sugar Corporation, Mr. Mohammed Beshir Wagir, is on the controlling Board of Kenana, and there is likely to be an exchange of ideas between Kenana and the two new 110,000-ton plants the Sugar Corporation is developing in the same region, one on Kenana's boundary.

Other factors came together in getting the project off the drawing board. Sudan's decision to borrow heavily to pay for development came at about the same time as the 1973 oil price rise which not only gave the oil-producing Arab states considerably more money but also made them more aware of their serious shortage of home grown food. Thus was born the concept of developing Sudan, the northern part of which is generally considered an Arab country, as a food-producing area.

When it became clear that at least part of the borrowed money was being put into infrastructural development, including the establishment of a surfaced road system and the modernisation of the railways, Kenana's way ahead seemed much clearer: work on the project started last spring.

Mr. "Tiny" Rowland, chief executive of Lonrho.

Earlier this year the Kuwait Government took a 23 per cent. stake in the enlarged capital; the Sudan Government has 40 per cent., the Sudan Development Corporation 10 per cent., the Arab Investment Company 17 per cent., Lonrho 5.5 per cent., Gulf Fisheries 2.25 per cent. and Nissho-Iwai 2.25 per cent The total cost of the project is now put at about $350m., which will be raised, partly out of equity, partly from loan capital and partly from supplier credits.

Since British credit facilities proved hard to obtain, the bulk of the factory equipment is being supplied by the French company Technip at a cost of $170m., while the boilers and turbo generators are being produced by Nissho-Iwai. The contract for construction of the factory has not yet been awarded but is expected to go to an American concern; Sir Alfred McAlpine has two contracts totalling $60m. for building the main irrigation canal and pump stations, and the civil engineering works on the factory site.

The task of managing the project is divided between London, Khartoum, and a circle of huts on the site. Probably the management's most difficult task is to keep the different aspects of work in step with each other so that the factory starts operation on schedule in 1978. So far this has been achieved: the 28 km. long main irrigation canal which will lift water 41 metres from the White Nile is well underway; the Sudan Public Works Corporation is building the subsidiary canals. The site has been levelled and construction of the factory is due to start early next year. The bush is being cleared and planed to a slope suitable for irrigation. Last year 250 acres of sugar cane was planted, this year 2,000 acres, and next year it should cover 200,000 acres. The only aspect in which the project is badly behind schedule is in the provision of housing for the 180 expatriates and 4,000 other workers now on the site. When that is complete, a golf course will be started.

Kenana is benefiting from experience gained on other projects. The Kenana site manager, Mr. Arthur Beevers, previously managed the setting up of a Booker McConnell sugar project in Kenya, while Mr. Graham Lester, the agricultural manager, has worked on Lonrho's sugar estates in Malawi for 14 years. Maintaining good contacts with Sudanese institutions is essential. So far most things appear to have gone well: Sudan Railways has recently completed a 30 km spur line to the site and equipment and 250,000 gallons of fuel a month are coming in by rail. The company has a full-time executive at Port Sudan whose job is to make sure that equipment destined for Kenana passes through the badly congested port and customs as fast as possible.

Kenana executives do not conceal the fact that transport could be a major bottleneck for the project, but they point to the fact that the railways are being improved with more rolling stock and better signalling. The port could, however, pose problems for that half of the crop destined for export (probably to the Arabian peninsula, though detailed marketing arrangements have not yet been made). As the project develops it assumes an identity which makes the railways conscious of their commitment to shift up to 1,000 tons of sugar a day, involving three trains daily when the plant is fully in production. "We may have to buy our own trains but we will still get it out somehow," was how one Kenana logistics expert put it.

Judgment

Much also depends on whether the first 8,500-ton capacity phase of the 17,000-ton factory is ready to start crushing cane early in 1978. If it is not, production will be delayed nearly a year because it is not possible to harvest cane on the site during the rains between June and September. The judgment on the likelihood of completing this first phase in time will be taken next year because it affects the acreage to be planted that year. Thereafter the acreage grown and harvested will increase until the project is fully on stream in the fourth year.

The cane grown so far has yielded so well that Kenana optimists are now talking of an ultimate yield of 350,000 tons a year rather than the originally projected 300,000 to 310,000. That might bring the investment per ton down to $1,000 and would, with the contribution of the Sudan Sugar Corporation, speed up Sudan's transformation from sugar importer to sugar exporter.

'Laboratory' for textile design

TEXTILE DESIGN is generally not supposed to be one of Britain's fortes, so it is perhaps all the more surprising that the efforts of one small Scottish company in this field are helping in a modest way to boost U.K. invisible exports.

The company, John Claridge, based at Selkirk, in the Scottish lowlands, operates a design consultancy with a difference, using its own mill as a laboratory to produce clients' designs in finished fabric form, and not simply as ideas sketched on paper.

The concept itself sounds fairly simple but in fact it is far from usual. Very often the independent design consultant working for textile producers is able only to offer his ideas, which then have to be made up into fabric by the client before the full effect can be seen. For textiles companies using expensive capital equipment or lacking the technical expertise in fabric development, this can present problems. Machinery has to be taken out of production, losing valuable output, while designs are put together and run through.

John Claridge, who has himself worked as a decor and costume consultant at Covent Garden, Glyndebourne, and in West End theatres as well as for a number of textile companies, developed his laboratory approach to design after purchasing a Scottish mill which had closed down in 1973. The company has been able to draw on the pool of skilled wool textile workers in the area and employment has been built up to more than 40 people. A move has since been made to new premises.

The design and development system means that the big manufacturers who used John Claridge, such as Jackson the Tailor, are not entirely dependent on cloths designed in house, or shown to them by their wool textile suppliers. Instead, after deciding what they will take from Claridge, they can go to the cloth manufacturer and ask for a particular cloth to be made up according to specifications developed and tested at Selkirk.

This gives the tailoring groups the ability to offer relatively small-run exclusive lines to supplement their more popular ranges. It can also relieve smaller companies of the problem of having to research the market and keep permanently up-to-date on new design ideas.

Apart from Jackson, most of Claridge's business in men's suitings is done with overseas groups including Oxford clothes in the U.S., A and N Mutsaerts in the Netherlands, and Belvest in Italy. The weaving equipment used in the mill has been designed to enable a wide variety of designs to be developed in different materials: Thus apart from wool and wool blends for the men's trade, Claridge whose minimum consultancy fee is a hefty £10,000, also produces designs in fabric form for Jaeger, and the Stephens Brothers, a shirtmaker within the Courtaulds group.

As well as giving leading manufacturers of fabric and clothing in Europe and the U.S. an extra design arm, the system is also being used by manufacturers in countries building up their own textile industry who want guidance in developing cloths for export markets. Instead of using their own equipment to test designs, companies in these countries can buy designs complete with manufacturing specifications.

Rhys David

BOOK REVIEW

When ownership is weakness

BY BARRY RILEY

The Naked Investor by Robert Heller. Weidenfeld & Nicolson. £5.25.

GREEDY AND gullible, the investor can seem an unattractive individual. Emotionally committed to his shares, all too often he loses objectivity; his triumphs are endlessly recounted but his more numerous failures are mostly forgotten. He is prey to plausible company promoters and their pliable accountants. And shareholders, as Robert Heller points out, have proved politically naked, their ownership function turned into a weakness rather than a strength as Governments freeze their dividends and tax income or "gains" of which inflation has made a mockery.

It is small wonder that the private investor has increasingly retired to the sidelines leaving the institutions to get on with it. Success, alas, has also proved elusive for the professional fund managers. The gunslingers of New York rarely lasted beyond one bull market. Even the better funds, swamped by mounds of high-powered broking research, have found it amazingly hard to beat broadly based indices like the F.T.-Actuaries All-Share.

When it proved so difficult to be clever at picking individual shares it became the vogue to go liquid during bear phases, only for the cash fans to be left stranded and helpless at the turn of the market. Hence the appearance in the U.S. of that ultimate in defensiveness, the fund which—by carefully investing in index constituents—guarantees to perform in line with the index. Unfortunately, the indices themselves have lagged disastrously behind inflation on both sides of the Atlantic.

Joined in the chase

Mr. Heller's magazine Management Today, with its growth league tables and glamorised managers joined in the chase after the mirages of the 1960s with at least as much gusto as any other publication. But for all his somewhat brazen air of being wise after the event, Mr. Heller has produced an entertaining guide to the tragicomedy of the stock market slump, choosing a vantage point somewhere in the mid-Atlantic.

Thus for a brief but glorious moment the Avon door-to-door cosmetics company was valued on Wall Street at more than the entire U.S. steel industry. Corporate hucksters glibly explained why shareholders were better off without any dividends, while in the U.K. in the helter-skelter of the paper-chase great companies were lured—or almost lured—into far-fetched mergers like Bowater/Ralli and P & O/Bovis.

In the U.S. even more than in the U.K. growth stocks were valued at absurd premiums: at one time the price/earnings ratio of Xerox was 71, and Polaroid's 99. There arose the legend of the Vestal Virgins, the glamour stocks which the big Wall Street funds traded between themselves on stratospheric p/es because they dared not see the bubble pricked.

But pricked it was. The 1973-74 slump on the London market was devastating—worse than in 1929. Fortunately the tighter credit curbs on Wall Street prevented a repeat of the Great Crash, when forced selling by over-geared (and wiped out) investors led to an even greater self-feeding decline.

Describes the problem

How did it all happen? Mr. Heller describes the problem of savings, both individual and collective (such as pension funds), that in the expansionary period of post-war Western economies grew into an uncontrollable flood of wealth. The stock market was the sponge that could keep on growing to accommodate it. Arguably this does not quite get to the point: strictly speaking tl. equity boom did not absorb wealth any more than the slump released it. But the stock market powerfully responds to forces at the margin.

For a long period the pressure of demand was enough to push prices upwards (albeit with cyclical fluctuations) and this growth itself justified the progressive over-valuations of underlying company profits.

Over-valuation was replaced by under-valuation. One of the more intriguing post-crash armchair calculations is that for what was spent on Concorde Britain and France could have bought—alas, only theoretically—51 per cent. of the whole U.S. aerospace industry.

In the aftermath a great many illusions have been shattered. The cult of earnings has gone; belief in exotic paper has evaporated. Equities now stand up on what they can return to shareholders in cash dividends, though in these inflationary times we are not yet back to the conditions of the early 1950s when U.K. equities, as risk investments, yielded more than gilt-edged.

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TUESDAY, SEPTEMBER 28, 1976

Illusions at Blackpool . . .

MR. Anthony Wedgwood Benn performed a useful service yesterday. In his speech at the Labour Party conference he pinpointed one of the most important reasons why holders of sterling, potential foreign investors and the business community in general are nervous about Britain's economic future. This is not just a matter of the Government's record, though this has been bad enough—the squeeze on industry's liquidity (corrected just in time), the virtual extinction of financial incentives for middle and senior management, the plethora of legislation designed to enhance the rights of trade unions. Much more basic has been the uncertainty over the very framework in which business has to operate—an uncertainty that lies at the heart of the Labour Party's divisions that Mr. Callaghan has been at such pains to paper over.

Socialism

Mr. Wedgwood Benn has no doubts. For him, our economic troubles reflect the failure of capitalism; the answer is to replace capitalism by socialism. He told the conference that the Party must not appear as though it was merely trying to "salvage the system that has so manifestly failed in the past." The Party had paid a heavy political price for the twenty years in which it played down its criticism of capitalism and "soft pedalled our advocacy of socialism." He recalled the fervour of 1945 when the Party had swept all before it in pursuit of socialist policies. The Party must reaffirm the policies which succeeded in 1945—the commitment to full employment, public ownership and the welfare state—and extend them in new ways.

Mr. Wedgwood Benn has learned nothing from the history of the past twenty years (for example, the consequences of nationalisation), nor even from the more recent experience of his own failures at the Department of Industry. He continues to parade the same slogans—the need to channel more savings into industrial investment, the notion that worker democracy will solve the country's labour relations problems—in blithe disregard of evidence that points in quite different directions. His self-confidence, severely dented at the time of the EEC referendum, seems to be fully restored, while the ovation which he received yesterday confirms his position as the darling of the Labour Left.

None of this would matter very much if Mr. Wedgwood Benn was a Party maverick with no public office. But he is a member of the Government and presumably bound by Cabinet responsibility. If Mr. Callaghan was unhappy about yesterday's speech, he kept his displeasure to himself, in contrast to the public roasting which he administered to Mr. Reg Prentice on the previous day. Foreign observers, who find the Labour Party conference a bewildering affair at the best of times, can be forgiven for wondering whether the Government believes in the mixed economy, embracing a large and healthy private sector, or not.

Their wonderment will increase when they see that the conference, in defiance of the National Executive Committee, approved a resolution rejecting the Government's White Paper on public expenditure, demanding an extension of Socialist planning and control over the economy, and supporting Labour-controlled councils which have refused to implement the public expenditure cuts. Any idea that the country has been living beyond its means is presumably rejected by those who voted for this resolution as a reactionary, capitalist view; in the meantime the National Enterprise Board, suitably enlarged, can take care of industrial investment.

Leadership

The lesson for Mr. Callaghan is clear. If he wants his economic strategy to be taken seriously, he must demonstrate that he is leading the Government—and the Party—in a direction which he himself believes in and which he is prepared to fight for. Preserving Party unity with alternate sops to Left and Right is a recipe for confusion. Mr. Wedgwood Benn's challenge deserves to be answered; the Prime Minister has the opportunity to do so when he addresses the Conference.

. . . and reality in currency markets

WHILE Labour Party delegates applauded Mr. Wedgwood Benn and worried about long-term targets for growth and unemployment, and trade union leaders congratulated themselves on their willingness to accept some cut in real incomes, the Prime Minister was reported to be receiving hourly bulletins on the state of sterling. A party conference is not a forum in which a financial crisis can be tackled in any practical way; but it is surely one in which its existence should be recognised. The fact is that the persistent weakness of sterling is a threat to all the Government's short-term objectives, let alone its long-term ones. The effect on domestic prices, it is now conceded, means that inflation will be a good deal higher than the planners of the trade union movement had hoped; its effects on interest rates must slow down any recovery of investment, if it does not halt it altogether.

Fall in wages

The most fundamental reason for the pound's weakness is that the Government has not been able to adjust to reality fast enough. No doubt it took great efforts to persuade union leaders to accept a prospective fall in real wages of two per cent.; but at a time when the country was living above its means by a somewhat greater percentage, the effort was inadequate. Mr. Healey has often argued the humanitarian case for tempering the recession through a very large though supposedly temporary Government borrowing requirement but he has not persuaded foreign holders of sterling to support this policy. The market's verdicts are merciless and effective: through the foreign exchange rate, the market can and does impose reality, in terms of high interest rates and lower living standards in larger doses than the Government may choose to prescribe.

If sterling were simply a trading currency, held abroad only for trading purposes, such market verdicts might be limited in their effects; it seems to have proved easier, for example, to check the depreciation of the French franc and the Italian lira at moments of political stress than of the pound sterling.

Restraint

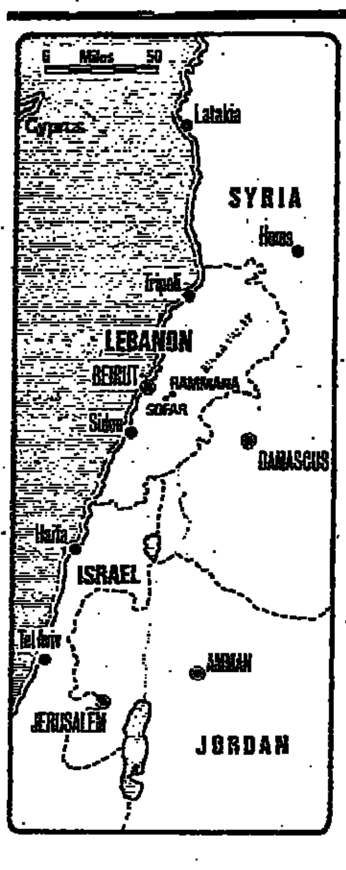
The fact that sterling is a reserve currency therefore imposes extra responsibilities on the authorities. The consequences of any failure in policy, either in Government strategy or in technical management, can be immeasurably greater. The idea that holders of sterling, who have already experienced losses of nearly 20 per cent. this year, will suddenly renew their faith *because the currency appears to* have reached a temporarily realistic level, or because the Chancellor or the Prime Minister makes statesmanlike noises, look more and more like wishful thinking.

What Labour's delegates need to be told is that there can be no sustainable long-term strategy until the immediate crisis is resolved—a resolution which, as experience shows, becomes more expensive with every month of delay. That means effective monetary restraint, and, in the short term, lower living standards. Most of the necessary policies, including measures to stabilise the sterling balances, will in any case have to be adopted when the assistance of the IMF is, after so many costly delays, called in. The Government can either try to lead its followers to an acceptance of reality, or be seen to have realism imposed on it from outside.

To take the passive role is not simply to invite disillusion from Labour's supporters, but to foster all the absurd myths which the Left can so easily propagate in such a crisis—the international financial "plot" against Socialism, to which the only "answer" is a siege economy.

After the Semiramis battle **Richard Johns** in Beirut assesses prospects of taming the guerillas.

President Assad's subtle game in Lebanon




President Assad of Syria.

THE BATTLE in the Semiramis Hotel in Damascus and the public hanging of three Palestinians have brought to a head a series of incidents that have broken the calm of a normally well-ordered capital.

For years security has been tight and effective, albeit unobtrusive, but recently a number of bombs have been exploded. The Government announced the arrest of the perpetrators of the explosion at the Damascus international fair ground last month, although it has not identified them. In May there were open demonstrations at the Yarmouk refugee camp near Damascus. They resulted in the detention of 100 or so Palestinians but were well covered up by the authorities.

Now, however, it may be said that the conflict between the Palestinians and President Hafez al Assad of Syria has been brought right up to his own doorstep—even if at the instigation of the rival Baathist regime in Iraq. It appears that the outrage was planned by "Abu Nidal" (a *nom de guerre*) who was expelled from Al Fatah, the mainstream Palestinian Guerilla group, five years ago, and who belongs to the "Rejection Front" settled in Baghdad.

Whatever the truth, President Assad will almost certainly use the affair as a justification to clamp down in Syria itself on the Palestinian movement with which President Assad has been in increasingly acute confrontation since February. In the meantime it would be rash to draw any conclusions about possible repercussions affecting his position internally or his determination to pursue his objectives in the Lebanon. Having engineered the installation of Mr. Elias Sarkis as president of Lebanon last week, the indications are that President Assad will press on more relentlessly than ever.

President Assad's strategy has become progressively more apparent. Having last year assisted the Left to help alter the *status quo*, he has since rectified the balance and worked towards the creation of a Lebanon more amenable to longer-term Syrian interests. His aim is to increase the influence of Damascus and its indirect control. As a corollary, the strength of the Palestinian guerilla movement and the Lebanese Left must be reduced so that they cannot drag Syria into a conflict with Israel at a time not of its own choosing.

The ground would thus be prepared for negotiations with Israel in the framework of the Geneva peace conference. If and when it is convened, Syria could enter into negotiations fortified by an "Eastern front" based on close collaboration with Jordan and Lebanon. The plan is that they should give military cover, particularly by installing anti-aircraft missiles against an Israeli flanking movement in the event of war.

Over the past year close co-operation and friendship with Jordan has become a well-established fact of Syrian military and economic policy. When King Hussein's Hawk missile batteries are installed towards the end of next year, Syria should enjoy a measure of protection on its southern flank. Imperceptibly, meanwhile, the plan is that a reconstituted Lebanon would be brought more into confrontation with Israel—but not sufficiently far or fast to provoke retaliation. Already, acording to left-wing sources in Beirut, SAM missile batteries have been set up in the south of the Bekaa valley, little more than a dozen miles from the border.

Amidst the violent but sometimes bafflingly obscure interplay of Lebanese political forces and pan-Arab politics, advance to these goals must inevitably be painful, especially as President Assad must always look over his shoulder to ensure support at home. But in the past four months he has consolidated his ground on the domestic front, internationally and within Lebanon itself.

From the beginning of Syria's deep involvement in Lebanon, President Assad must have been more aware than anyone that Palestinian hostility to his policy could create discontent and even outright opposition within the ruling Baath party and the armed forces. All along, the guerilla movement has hoped that confrontation with the Palestinians would lead to his overthrow, and a few months ago there appeared to be some grounds for so believing.

The military intervention

Even before the direct military intervention, in May, there was evidence of misgivings in the Syrian military and political establishment about supporting the Maronite Christian Right against the "progressive forces" in the Lebanon, amid strident criticism from other Arab countries.

It could hardly have been otherwise in a regime so long committed to the unity of the Arab world, to the radical elements working towards it, and to a confrontation with Israel which has now been eased because of the Lebanese imbroglio.

In the uncharacteristically long speech he delivered on July 20, President Assad spoke of his reliance on the nation's "historical understanding," and confidence in himself. That may have been an implicit admission that there had been opposition. But the considered opinion of diplomatic observers in Damascus is that he has since succeeded in convincing most critics in the party and the armed forces that Syria's mission is both honourable and necessary. His command over both the forces and the Baath is said to be as strong as ever.

In that context the replacement of Mr. Mahmoud al Ayyoubi as Premier by Major-General Abdul Rahman Khleifaoui early in August was of no particular significance. It was mainly a move to strengthen the internal administration.

On the foreign front, Syria may seem as isolated as it was when the Syrian army moved into Lebanon on June 1. One division of the army remains deployed on the Iraqi border. The vitriolic dispute with Egypt originating in the second Sinai disengagement agreement but embittered by the Lebanese civil war continues despite the agreement of the two countries' premiers in July to cease propaganda.

Until the Semiramis battle at least Syria had become far less sensitive than it had been about Iraqi hostility, though following the bloody affair a marked deterioration of relations can be expected. The need for rapprochement with Egypt is recognised in Damascus and the Egyptian dispute with Libya has been a welcome diversion. In the meantime, while allowing the Arab peace mission set up for Lebanon to continue its work and, indeed, availing itself of the good offices of Mr. Hassan Sabri el Kholi, the Arab League mediator established in Beirut, Damascus has kept the initiative in its own hands. For the time being the 2,500-man joint peace-keeping force remains passively at the airport and the contingent on the Beirut "green line" is powerless to protect the crossing point between the Christian and Moslem-held area.

Moreover, President Assad has been able to survive Soviet displeasure caused by his confrontation with the "progressive forces" in Lebanon and even obtained a measure of grudging, if unspoken, acceptance of his policy. According to East European sources in Beirut, Moscow has not cut off supplies of military spares, nor will it do so for fear of another humiliation like the one experienced at the hands of President Sadat in 1972 when the Soviet advisers were expelled from Egypt. Apparently anxious to salvage its declining influence in the region and not to be associated with a defeat, the Soviet Union earlier this month sharply reproved "ultra-left elements among the Palestinians and left-wing groups in the Lebanon for rejecting all peace proposals."

Through its military pressure on Tripoli and Sidon, Syria has put the Palestinian-Left alliance on the defensive. At the same time President Assad has been working hard—though with uncertain success so far—to drive a wedge between it and the traditional Moslem leadership which has been trooping to Damascus for consultations. Last week he could congratulate himself on the formal elevation of Mr. Sarkis in the presence of 67 of the 99 members of the Lebanese National Assembly.

The fiction of constitutional continuity has been maintained. Moreover the new Head of State gave legitimacy to the presence on Lebanese soil of some 15,000 Syrian troops by saying that they were there by the invitation of the Government and subject to the constitutional authorities.

Recognised by important Arab powers, including Egypt, Mr. Sarkis is a relatively neutral figure around whom efforts to form a Government of reconciliation can revolve. Certainly, President Assad has passed through a difficult phase and created a reasonably firm base to advance further. Nevertheless, in itself Mr. Sarkis' accession solves nothing. At the best of pre-war times, forming an administration in Lebanon was a tedious, time-consuming business. At this point one can only guess about Mr. Sarkis' chances of replacing the present six-man titular Government originally appointed last June.

The heart of the Lebanese problem is the future of Palestinian status and rights. Here Mr. Sarkis and the Syrians are at one with the Christian Right in wanting to enforce the old Cairo accords of 1969, governing the commandos' armed presence in Lebanon and restricting their action against Israel.

The crucial challenge that must be met and overcome by President Assad is posed by the 1,200 Palestinians and Left-wing supporters in the mountains east of Beirut around Hammana, adjacent to and not far from the furthest point of the Syrian advance in the central sector at Sofar. The presen[ce] of this guerilla force on t[he] Mount Lebanon range has be[en] a crucial issue since April, wh[en] it occupied the area. Th[e] President Assad called Mr. Ju[m]blatt to Damascus and demand[ed] its withdrawal at a meeti[ng] which degenerated into a shou[t]ing match and probably da[m]aged relations between the[m] beyond repair.

Peace talks held at Shtau[ra] on September 19 broke dow[n] over the issue of that force. M[r.] Sarkis and Major-General Na[ji] Jamil, Syrian Deputy Defen[ce] Minister, insisted on the Cai[ro] accords and a withdrawal fro[m] the mountains. Mr. Arafat [in]sisted that the fighters cou[ld] only be removed as part of [an] overall settlement and in retu[rn] for a Syrian pull-back to th[e] Bekaa valley to the east. N[ot] surprisingly the Palestinians a[re] refusing to throw away the[ir] trump card. The force consis[ts] predominantly of members [of] the Palestine Liberation Army['s] Egyptian-trained Ain Jallo[ut] Brigade, which defected to th[e] Left in March. The men a[re] well-versed in defensive tacti[cs] and deeply entrenched wi[th] artillery pieces and portab[le] anti-aircraft missiles. Win[kling] them out of their fastness would involve a major oper[a]tion.

However, notwithstanding h[is] consolidation of the domest[ic] front, the general belief is th[at] President Assad cannot risk t[he] unrest which military loss[es] would arouse, and that he w[ill] insist that only the right-wi[ng] Christians do the fighting, lim[it]ing Syria's role to givi[ng] artillery support. Although th[ey] are cock-a-hoop with their su[c]cesses in August, notably t[he] capture of Tel Al Zataar refug[ee] camp, Phalangists and alli[ed] groups can hardly contempla[te] what would be a bloody a[nd] probably impossible task.

This predicament would [be] one factor encouraging Pre[si]dent Assad to seek a reconcil[ia]tion with President Sadat. It [is] appreciated in Damascus th[at] Egyptian co-operation a[nd] agreement will probably [be] necessary if there is to be [a] lasting settlement in [the] Lebanon.

President Assad was prepa[r]ing last Wednesday to leave f[or] the mini-summit of Syria, Egy[pt,] Saudi Arabia, and Kuwait befo[re] President Sadat demanded [its] postponement on the groun[ds] that Mr. Sarkis and Mr. Araf[at] *should participate. In some for[m]* a restricted meeting must ta[ke] place and a measure of reco[n]ciliation be achieved if the fu[ll] scale meeting of Arab leade[rs] called for October 18 is [to] materialise. But even if Egy[pt] ceased giving active support [to] the alliance of the Palestinia[ns] and the Left, which can still re[ly] on Iraq and Libya, their men [in] the mountains could hold o[ut] indefinitely. It is difficult to s[ee] how President Assad can cra[ck] this tough nut.

MEN AND MATTERS

Luckin's bridge exports

If Ivan Luckin has his way it will only be another year before tourists are taking afternoon tea on the central span of Tower Bridge hundreds of feet above the Thames. Opening the bridge to trippers is yet another scheme to come from the inventive brain of the man who sold London Bridge to Arizona's Lake Havasu (where the locals originally thought they had bought Tower Bridge) and is now trying his international sales techniques on two superbly built engines, the ones which for years have been raising and lowering the Tower Bridge roadway and have now been replaced by modern, push-button machinery.

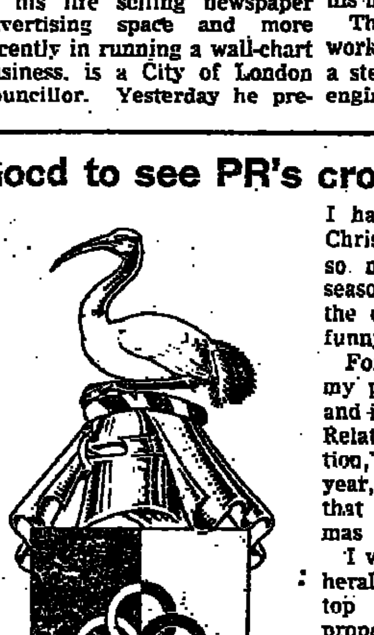
Luckin, who has spent most of his life selling newspaper advertising space and more recently in running a wall-chart business, is a City of London Councillor. Yesterday he presided at a South Bank demonstration of the machinery and a working model of the bridge. The whole package should fetch $250,000, which goes into the Bridge House Estates trust fund for future bridge works. Export income for the fund makes a change from former days when travellers, delighted that they could ride across the river rather than make the trip by ferry, used to leave money "to God and the Bridge" in their wills.

Luckin believes in putting more trust in marketing than on the gratefulness of travellers. A glossy brochure is being sent to our embassies and consulates around the world for distribution to likely buyers of the glistening machinery. "I hear a rumour that the Arabs are very interested in industrial archaeology," says Luckin. But his main hope is the Americans.

Though still in impressive working order, the machines—a steam pump and a hydraulic engine—would need more than some oil sheikh's lift to keep them occupied. They weigh about 60 tons and have spent their lives lifting the 2,000-ton bascule leaves of the bridge.

Luckin reckons it took him three years to convince his colleagues they should sell London Bridge, and five that they could sell the Tower Bridge engines. No, he does not have his sales eye on anything else. At the moment.

Good to see PR's crouching proper



I have just received my first Christmas card (see left) not so much to wish me out-of-season compliments, but because the original recipient found it funny. So do I.

For those who do not know, my picture is a heraldic crest and is: "The Arms of the Public Relations Consultants Association," granted in May of this year, and it graces the front of that association's 1976 Christmas card.

I won't bore you with all the heraldic details, but the bird on top is "an Ibis crouching proper." (I should think so too.) Odhams Illustrated Encyclopedia says of the Ibis: "Wading bird, related to the herons and storks; enjoyed great reverence in ancient Egypt for having saved the country from plagues." Of journalists perhaps?

Design and the NEB

The Design Council has just published its annual report and it makes the valid point that it is useless for the Government to pour money into companies which are merely going to produce the same old badly designed goods in ever greater quantities. It says that what is needed instead is greater investment in design and designers and Lord Caldecote, chairman of the Design Council, has now disclosed that his organisation has already offered its services to Lord Ryder, chairman of the National Enterprise Board.

Apparently it was suggested that design council teams should scrutinise the products of companies that approach the NEB for money. Ryder expressed some interest in the scheme when Caldecote mentioned it but so far he has not actually taken it up. It is understood that one reason for this is that the Design Council has not forwarded any written details of its proposal and the NEB feels unable to act on any suggestion that is not down in black and white.

It is also thought that even if the scheme is eventually introduced the NEB will not consider it necessary to force companies to have their product designs examined. Everything would be on a strictly voluntary basis.

Questioned about the NEB's procrastination, Caldecote was quick to say that he had not meant to imply any criticism of Ryder or the workings of the NEB. "Lord Ryder assured us he would seize the opportunity to make a public statement on this," he said.

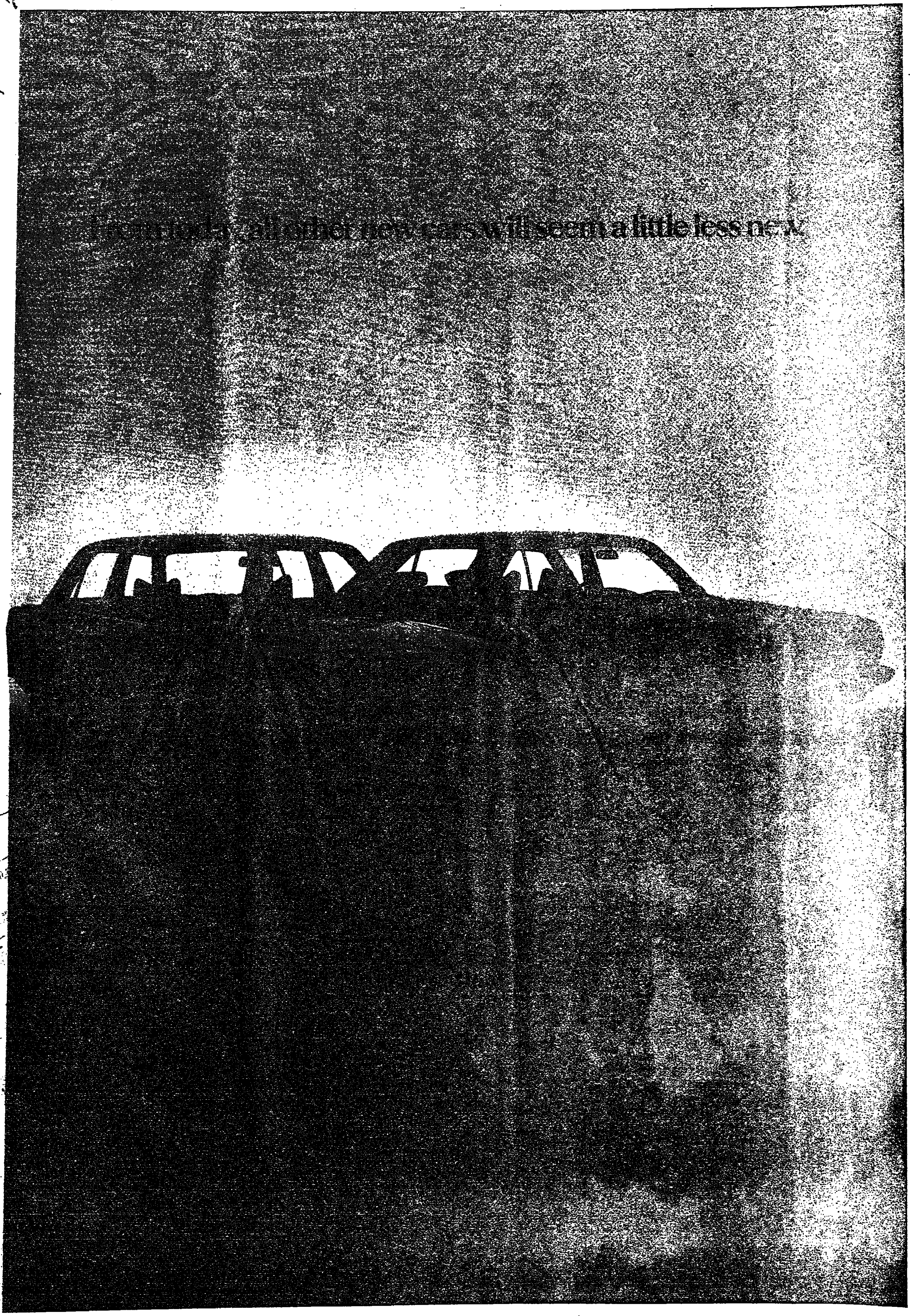
How wise—and wiser?

One Sussex parish magazine has been in good form lately. "The ladies singles final," it reported, "was won by Miss —— in two straight sets: 6—4, 6—2. She was in great pain because of a nasty wasp sting but she refused to scratch."

Then again: "Tickets for our cheese and wine party on Friday, October 8 (including a performance by members of the choral society) are now available, price £1.25. If you are unable to come yourself, why not buy tickets to give to those less fortunate?"

Observer

هكذا من الأصل



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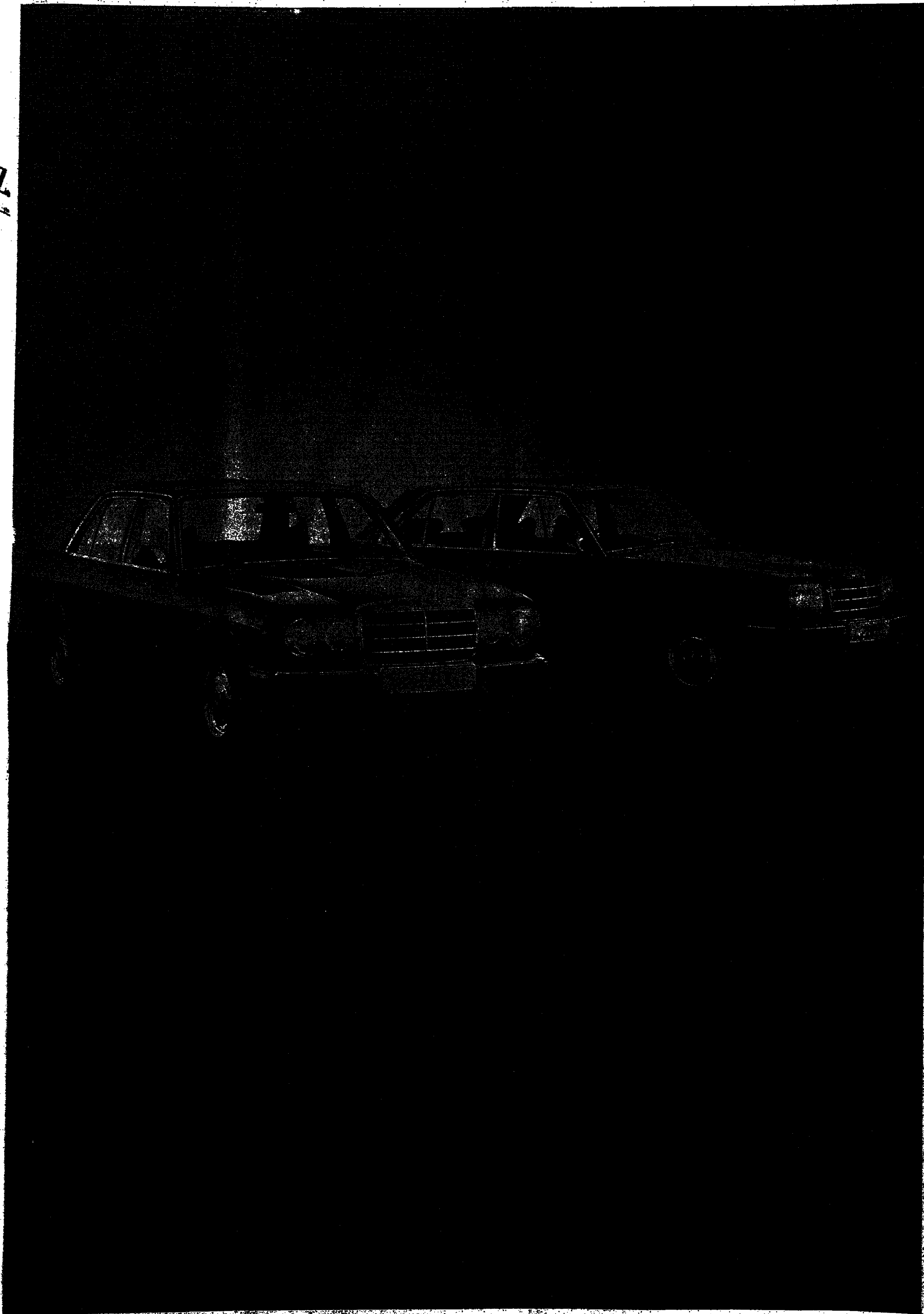
-Benz.



The new range from Mercedes-Benz. It doesn't happen every year.

Every year car manufacturers proudly introduce new and improved cars.

At Mercedes-Benz, we think it's time to ask what makes a car new. It is our conviction that a new car must combine new ideas in design, engineering, craftsmanship, comfort and safety to give you a new feeling of security and control every time you drive. This means that every single feature has to work in harmony.

Which takes years of skill, experience and patience.

But time is essential if you're creating seven new cars that can safely carry the name Mercedes-Benz.

Seven different cars with a lot in common.

Every make of car should have the care and attention that we lavish on a Mercedes-Benz.

We start from inside, gradually moving out. Never losing sight of the total car we are creating.

Whether you choose one of the four new petrol cars or three new diesels, you'll get the same reliability, flexibility and staying power from the engine.

At the front is our renowned double wishbone, coil spring suspension, and at the rear a diagonal swing axle, so you stay on the road, rain or shine.

And to keep you on the straight and narrow, even if a tyre bursts, there's zero-offset steering.

As usual, we've paid scrupulous attention to detail.

From headlights that can be adjusted to suit the car's load to a bonnet that rises through 90 degrees, which every mechanic will thank you for the few times he gets under it.

Inside there's more space, more seat support and, behind you, loads of room in the boot.

Finally, we've given the cars a new modern, elegant styling designed to last as long as the cars.

Mercedes-Benz is synonymous with safety.

We very much doubt if you'll ever feel safer than behind the wheel of a Mercedes-Benz.

There are two key sides to our concern for safety.

First there's "active" safety to help keep you out of trouble. This includes responsive controls, exceptional roadholding and all-round visibility, dirt-resisting lights and rain-diverting channels on the front windscreen and rear window.

Model	No. of cyls.	DIN/ bp	Top speed	Equipment	Price
200	4	94	99.20	Four speed all synchromesh gear box. Heated rear window. Cloth upholstery.	£4,940
200D	4	55	80.60	Four speed all synchromesh gear box. Heated rear window. Cloth upholstery.	£5,166
240D	4	65	82.46	Four speed all synchromesh gear box. Power assisted steering. Central locking system.	£6,565
230	4	109	102.30	Power assisted steering. Central locking system. Automatic transmission. Heated rear window.	£6,375
250	6	129	108.50	Automatic transmission. Power assisted steering. Central locking system.	£6,965
300D	5	80	88.66	Power assisted steering. Central locking system. Automatic transmission. Tinted Glass. Heated rear window.	£7,600
280E	6	177	120.90	Power assisted steering. Central locking system. Automatic transmission. Tinted Glass. Heated rear window.	£7,990

All prices exclusive of delivery, seat belts and number plates. Price incl. car tax and VAT.

Second, there are "passive" safety features, many of which we originated and some of which have since been copied by others.

Like our patented passenger safety cell, with energy-absorbing front and rear ends, and, in these new cars, an even more rigid passenger compartment.

As well as the collapsible steering column, burst-proof locks and a steel bulkhead protecting the fuel tank.

Again the important thing is how all these safety features work simultaneously to make you a more relaxed, more alert driver.

And make the road a safer place for everyone.

Choose your power and performance.

With all seven cars you get the same safety, comfort and luxury within the same body shell. (Including automatic transmission and power-assisted steering on some models.)

The real differences are in power and performance.

The 200 and 230 models run on economic four cylinder engines, the 250 and the 280E (with its twin overhead cam) have the extra power of 6 cylinders.

In the three diesels, the four cylinder 200D and 240D and the five cylinder 300D, all give an extra saving on fuel and maintenance.

By checking the chart you'll find the power and performance that suits your kind of driving.

Judge every new car by our standards.

We have always built cars that are technically ahead of their time and timeless in their design.

This is Mercedes-Benz quality.

It's why our top range "S" class cars are unrivalled for luxury, engineering and performance. Why all our cars are long on life, and have remarkable resale values.

It only remains for you to test drive one of the new cars at your Mercedes-Benz dealer. We believe that any car you've tested to date will seem just a little less new.

Mercedes-Benz. The way every car should be built.

Mercedes-Benz (United Kingdom) Ltd., Great West Road, Brentford, Middlesex TW8 9AH. Telephone: 01-560 2151.

For enquiries about export and diplomatic purchase please contact Export Sales Division, Avenfield House, 127 Park Lane, London W1Y 3AS. Tel: 01-629 5578.

SOCIETY TO-DAY: THE BRITISH SICKNESS — BY JOE ROGALY

The real reason for sterling's slide

UNDAMENTAL explana- the continuing fall in the of sterling is not to be ered from a study of the itional markets, or a re- eration of the principles nomics the answer is a of psychology. For the disease is one of the Only an unprecedented political will, or, less un- a change in our institu- and the manner in which rk them, can give hope ure. Until there is such among ourselves we can- pect foreigners to change iew that Britain is on the e and that the pound is a bad buy.

e members of the present ament may find this hard erstand. Seen from their of view the Cabinet has remarkably successful in ig trade union agreement policy of wage restraint. ven the recent agreement the National Union of n regarded as an object in how to steer around awkward corners—in con- to the last Conservative nment's handling of the vorkers. Since the referen- n entry into the European ion Market last year the r Government has red both to itself and to Left-wing enthusiasts as tre-of-the-road if not neo- vative administration: he successive withdrawals planned future increases blic expenditure and the t of Mr. Callaghan this has become even more ly defined, to the extent over the past few months than one admiring voice een heard in the City and fashionable phrase has e "could the Tories do ?"

ose whose analysis of what has been going on throughout the summer is on the above lines will no doubt applaud Mr. Callaghan's much publicised dressing-down of Mr. Reginald Prentice on Sunday. For their belief is that if a Right-wing Minister makes a speech that attacks the Left he puts the entire strategy in danger (although if, say, Mr. Benn defends his own policies on the radio that is quite all right). Thus, Mr. Prentice's speech, in which he described the National Executive Committee document "Labour's Programme, 1976" as partly an "Alice in Wonderland exercise" was regarded by the Prime Minister as something that might hamper his efforts to neutralise the Left at this week's party conference in Blackpool.

Expensive

The truth is that Mr. Callaghan's strategy deserves to fail, just as Mr. Wilson's strategy, and Mr. Heath's before that, deserved to fail. Mr. Heath began by following the tenets of his own section of the party, and ended up doing his insufficient best to jolly the trade unions along. The two succeeding Labour Prime Ministers bid a little higher, and, in an attempt to preserve party unity, tried to minimise those actions that might further enrage the Left. These strategies have been very expensive: they have all resulted in muddle: they have all contributed to the collapse of confidence: and between them they have all accelerated our national decline.

The disasters perpetrated by the 1970-74 Conservative Government have been analysed often enough;. there is no further need to draw the necessary lessons now. But the corrosive danger of the present Labour strategy seems to be less widely understood, since too many people appear to be willing to accept the wage-restraint policy without considering the bill, and there are still those who see Mr. Callaghan as a doughty figure who will take no more nonsense from his party's Marxists if only on the unworthy ground that if he does there will be no chance at all of winning the next election.

It is at this point that the message needs spelling out. Winning trade union acquiescence to wage restraint is not cost free. Keeping the Left at bay, but within the Labour Party, is terribly expensive. For both prongs of the strategy involve concessions—not merely marginal adjustments, but major concessions of principle that are both indefensible in themselves and unwanted by the great majority of the voters.

Some of these costs are well enough known. The closed shop, which denies to individual workers the right to choose whether or not to belong to a trade union, is being actively encouraged, with nationalised industries creating martyrs to this obnoxious principle by the score. Yet there could be no deal with the TUC without the closed shop, so closed shops there must be. What the Government did not stop to consider was that there is division on this matter among the TUC leaders themselves: Mr. Jack Jones, for example, is distinctly lukewarm on the policy. If the Cabinet had stood on principle the result might have surprised some of its members.

The nationalisation of the shipbuilding and aircraft industries is one of a series of such measures that has minimal support from the electorate: every poll shows that State ownership is opposed by overwhelming majorities every time. Yet this, presumably, is part of the price of jollying the Left along. Mr. Callaghan has declined to accept the proposal that the banks and insurance companies should be nationalised, but who knows what intermediate compromises may now be arranged in the interests of keeping the party together.

Ashley Ashwood

Mr. Prentice on Labour's Programme 1976: "partly an Alice in Wonderland exercise."

These easily observed costs are, however, only a small part of the whole. The really destructive items on the bill are to be found in every Government department and every local authority, where every important decision is tempered by a consciousness of what the trade unions will have to say and a great many decisions are tailored in such a way that the Left, as distinct from the unions, will not be too outraged.

For example in a recent series of speeches Mr. Peter Shore has been expressing aloud his thoughts on housing policy. Much of what he has to say shows a welcome awareness of some of the costly idiocies of the way housing is now being managed. The sale of council houses is not absolutely condemned: there is a word for the mortgage holder and a hint that the legislation affecting private landlords might be a titch too tight. A social democratic Government unencumbered by the need to jolly the Left or the unions along might be able to build upon such thoughts a new policy that would house many more people, in greater comfort, at less cost, than anything now dreamed of. But the compromises, and the waterings-down, and the changes of emphasis, have already begun to surface within Mr. Shore's department: modified praise may be due for the intention, but it is natural to have strong doubts about the execution.

Again, the midsummer cuts in proposed public expenditure were not tailored to any notion of the proper amount to spend, or the best method of extracting maximum efficiency from every pound paid out on the taxpayers' behalf. The procedure was: start with what the outside bankers apparently want, move as close to that as the trade unions and the Left will allow, and raise the rest by means of a payroll tax administered through the national insurance administration. Now that it has become increasingly likely that yet further cuts will be needed the theory is: the Party will stand for no more.

In every institution the story is the same. Cuts in the NHS are not a matter of economy, but of politics and psychology. Standing against yet further increases in the cost of local government is thwarted by the trade unions whose members in local government are the mainstay of their existence. In such circumstances there is no sane way of devising policies that we ourselves could believe in, let alone convincing outsiders that the sadly misgoverned United Kingdom is at long last on the mend.

Cannibal

It is this that is the albatross around the neck of the Ancient Mariner of Number 10 Downing Street, not the National Executive Committee's proposal to nationalise banks and insurance, as Mr. Callaghan suggested last week. For the policy of jollying the Left along has become too destructive to be tolerable. The Marxists among them will never be satisfied: you can, perhaps, win a respite from a patient cannibal by offering a finger or even an ear, but he will soon be back for an arm, or a leg.

Some people take an opposite view, arguing that keeping the Marxists inside the Labour Party has effectively neutered them: this, they say, is why Britain has not suffered a revolution in modern times. Our visible Communist Party is insignificant by comparison with the French or Italian parties, and our Trotskyite or Maoist parties may have a nuisance value but they are not much of an electoral threat.

This argument is based on too pessimistic a view of the British electorate. Even with the present electoral system it is doubtful whether a revolutionary party of the Left could make any headway, and as for harnessing the unions to its cause the sober view—that most trade unionists would not tolerate a Marxist TUC for very long—is probably the correct one. What would, in my opinion, sweep the country would be a genuinely social democratic party which did not pander to the Marxist Left and which declined to bow down before overwhelming trade union power. So far the Conservatives have shown themselves to be very far from any such thing (although one should not judge their forthcoming statement of principles in advance), while Labour has persistently preferred spurious unity to real service to the country and the Liberals have been frustrated at the polls.

Those who see hope in one of the main national parties in existing circumstances deserve a medal for their optimism; for my part I cannot imagine any real change until the parties change. Last week two former Speakers, Lord Maybray-King, who was in the chair from 1965 to 1970 and Lord Selwyn-Lloyd, who retired as Speaker earlier this year, pointed out part of the way when they became joint presidents of the National Committee for Electoral Reform. The Scottish campaign for proportional representation in the proposed Assembly is now under way, with all-party support in Scotland. These campaigns could move the first few lines from the jam; Celtic separatism could move several others. But it is only when such momentous changes take place, with new institutions and new parties to work them, that we will be able to look forward to the long slow climb back to rational Government.

Letters to the Editor

Overland trade

From: Mr. M. Jepp

Sir,—Due to the inability of Government to relate the ss of overland trade routes e Middle East to its balance ayment problems and its not sing the importance of a thy British international haulage industry, millions ounds worth of capital equip- t in the shape of vehicles is ding idle in the U.K., Britain sing valuable export orders the Department of the En- ment is reduced to acting sales agent for the German ral Railways.

e full importance of this tion is not yet seen, as the ay season has reduced the of output. When exporters that most of the routes are r closed or so congested delivery dates have become ssible to meet, they will to wonder how many men off after contract cancella- and where they are to find money to pay the penalty es.

e problem is that the Hun- ns have stopped issuing it permits and the Austrian Italian permit allocations o low that they do not cover J.K. export requirements to countries, let alone the cles wishing to pass through. ny large export contracts priced after the Govern- had given assurances that would be no permit prob- with the Eastern Bloc e, relying on a low priced ht with a transit time of oximately two weeks. Now sporters either cannot get goods through at all or only a hopeless delay and an in- sed price.

a freight forwarder, the alternative open to me is se foreign (especially Eastern) hauliers.

e situation is now as ws:

British hauliers holding the of the permits must put up prices in case they have to their vehicles up.

Those who have the right of trailers can get through sing road/rail from Cologne and and paying German ways a vastly increased ght—this is the only route which the DOE can issue nits.

Vehicle ferries (direct) are booked through October and will become increasingly diffi- to get space.

Exporters who can switch to ainer services will find that majority are using ports ch, if not already congested, rapidly becoming so and nsit times are more than ble those of the overland tes.

The alternative is to ship cargo to foreign icles, among which are the ngarians, whom the Govern- nt holds responsible for the tation.

The results are that British gs cannot get through, they ome less competitive and tain is losing money and jobs. this, and our Government not even get an answer from Hungarians and cannot get y more transit permits from Austrians or Italians.

L. Jepp,
gent Freight Services,
her House, The Dock,
lixstowe, Suffolk.

No pounds for ponds

From: Mr. R. Webster.

Sir,—In the Financial Times September 23 the Country Landowners appeal for aid to store water on farms.

Your readers may be surprised at the following. My farm pond having silted up with mud over the years, went dry during the recent dry weather.

On enquiry I was told that no grant was available for cleaning ponds but grant aid was given for filling ponds with hard-core.

I had the pond cleaned at my own expense, and it now holds thousands of gallons of clean water, sufficient for my thousand or so sheep, even if it is another dry summer next year.

R. C. Webster,
Pound Farm, Swingfield,
Dover.

Unfair to some

From D. Franklin

Sir,—The foreign exchange allowance of £300 does not go far nowadays, but we understand the reason for continued restriction. Should not any rationing system however fall equitably on all citizens? The purchaser of a "package-holiday" may get all his travel, accommodation, and food in addition to the £300, the motorist receives a small bonus to it in respect of the rail travel he does not need, but the independent tourist gets no extra in respect of any living costs or local travel which cannot be paid for here.

To say that "most people buy package-tours" is hardly an answer when the whole system is designed to force them to do so. To say that "few people spend over £300" hardly satisfies anybody planning a longer "once in a lifetime" trip.

Package-tour operators are doubtless excellent people but is this adequate reason for official prejudice in their favour to the disadvantage of the mountaineers, walkers and campers who prefer not to contribute to their profits and are the main sufferers from the present arrangements?

D. Franklin,
Dhoon Plat, Maughold,
Ramsey, Isle of Man.

Roads in Britain

From the Deputy Director, British Road Federation.

Sir,—Mr. Joe Rogaly has taken a consistently rational view of transport and his article of September 21 was a balanced analysis of current policies and issues raised by John Tyme in his disruption of public inquiries.

I would like to respond in the same vein and comment on Mr. Rogaly's suggestion that the Government should stop building roads until it has made up its mind over a long-term transport policy.

But this has to be said: any coherent policy for the future will be based heavily on the continuing dominance of road transport and the Government's consultation paper clearly recognised this. Whatever the terms of the new policy that William Rodgers brings out next year, some new strategic trunk roads are going to be needed. To suggest that all road planning is halted now is like stopping all hospital and school building during a period of review within the health and education services, or ending the training of teachers and doctors.

Mr. Rogaly seems to suggest there is a doubt about the objectives of the road programme. But Governments of both parties have agreed the aims of a national road network and it is worth repeating them: to link the more remote and less prosperous regions with the new national network; to design the network so that it serves all major ports and airports; to achieve environmental improvements by diverting long-distance traffic from a large number of towns and villages, and to remove through traffic from as many historic towns as possible; to ensure that every major city and town with a population of more than 250,000 will be directly connected to the network and that all population centres of more than 80,000 will be within ten miles of it.

It must be emphasised that the road needs of Britain are limited and finite. We have more than 2,000 miles of the strategic network of motorways and trunk roads completed and a further 3,000 miles of new or improved roads are needed. To halt the road programme now would have severe consequences. It would disrupt other programmes of local and regional development that depend on decisions about road plans. And it would be a setback to any long-term strategy of economic and industrial growth.

Kenneth Cannell.
26, Manchester Square,
London, W.1.

The shadow of Flixborough

From Inspection Manager, British Engine, Qualitest Division.

Sir,—I have read Mr. W. Wilson's letter (September 22) following your article "The shadow of Flixborough" (September 14) and to some small degree share his concern. Let it be said, however, that the adoption of the U.K. Health and Safety at Work etc. Act 1974 and all other legislation, together with proper use of national codes of construction, ensure as far as is reasonably practicable that adequate and satisfactory safeguards are being taken.

Her Majesty's Factory Inspectorate and the British Insurance Association have teamed up with a determination to project the vital significance of this new Act which spells out as a categorical imperative a modus operandi aimed at preventing accidents.

The appointment of two major competent contractors entrusted with the design and construction of the plant and equipment for the new Flixborough complementary to the appointment of my own company as the "competent third party inspectorate" for inspection surveillance through construction including review of detailed drawings surely gives us all a right to feel that so far as is reasonably practicable the plant will be so designed and constructed as to be safe and without risks to health when properly used.

W. J. Baker.
Longridge House,
Manchester.

Where punters always win

From The Managing Director, Lawson Securities.

Sir,—Judge Lawson, QC (no relation to the writer) seems to have dealt another blow in favour of reducing the level of activity and confidence in unit trust dealings (September 23).

Must unit trust managers and their dealers now assume that every order is dubious until the cheque is finally cleared and that contract notes issued by licensed dealers are of no value?

Why has our solicitor chased up our debtors in falling markets and why have we paid his fee? In fact why did the unitholder or his agent for that matter bother to pay? Surely business houses must have some protection from the punter. Why should he always win?

C. F. Y. Lawson.
63, George Street,
Edinburgh.

Car market shares

From Mr. P. Lewis.

Sir,—Your motor industry correspondent, Mr. Terry Dodsworth, wrote an article on September 7 concerning the alarming percentage of the British car market which the importers are taking.

While I would not deny that this is so in general terms, it is a little misleading. Mr. Dodsworth certainly makes the first point concerning cars sold by "British" companies which are being constructed abroad, that is the Alpine, Cavalier and a number of Fords. This increases the importers' share of the market by some 5 per cent.

The second point is that alarmists among us think the world at end when seeing such a high figure as 40 per cent. The fact of the matter is that August is the time when private motorists change their cars and traditionally imported cars have always been popular with the private as opposed to business motorist. So, in August 1975 and 1976 the market shares for the importers were 39.67 per cent. and 38.41 per cent. respectively. January, however, presents a quite different picture insofar as it is then that the businessman, for financial reasons will change his car. The market shares for 1975 and 1976 being 32.12 per cent. and 31.79 per cent. respectively—in fact a decrease this year!

It is, one must admit, easy enough to juggle figures but in this case I would suggest that the one cancels the other?

P. R. N. Lewis.
Manager, Citroën Cars,
Mill Street, Slough.

Airline back-up

From Mr. P. Verstage

Sir,—I am afraid Mr. Norton (Sept. 23) is perpetuating a common myth. It may well be true that British Airways has twice as many employees per passenger than United Airlines, but the notion that this comparison on its own proves inefficiency or overmanning at British Airways is patently wrong.

One of the major factors determining the size of any given company's payroll is surely the degree to which they use subcontractors in their day to day operations. For example, does Eastern actually own a fleet of buses and employ a large number of drivers to transport passengers between the airport and the town terminal? Likewise, do its door-to-door air cargo deliveries and collections go via its own fleet of trucks, or does it contract a local transport company? Any company can reduce the number of employees on its payroll by ceasing to use its own staff for various operations and contracting out the work to other organisations, but this per se has no bearing whatsoever on that company's efficiency.

P. H. H. Verstage,
Mekvale Export,
334, Kennington Road, S.E.11.

To-day's Events

GENERAL

Prime Minister addresses Labour Party Conference, Blackpool.

Chief executives of shipbuilding, repairing and marine engine companies hear report on organising committee's work at meeting in London.

Workers' committees of Manbre and Garton and Tate and Lyle meet in Blackpool on jobs position following merger.

Christie's begins auction of 17,000 cases of Bordeaux wines.

Mr. Alexander Jarratt, chairman and chief executive of Reed International, at Practitioners and Advertising dinner, Painters' Hall, London.

Thames Water Authority meeting, New River Head, Rosebery Avenue, London.

Industrial Tribunal hearing reopens on Mr. David McCalden's claim of wrongful exclusion from National Union of Journalists.

International Industrial Film Festival continues at National Film Theatre, South Bank, S.E.1.

Unwin Memorial lecture on energy resources by Dr. Walter Marshall, deputy chairman, UKEA, and chief scientist, Department of Energy, Institution of Civil Engineers, London.

PARLIAMENTARY BUSINESS

House of Lords: Aircraft and Shipbuilding Industries Bill, second reading. Stock Exchange (Completion of Bargains) Bill, committee. Industrial Common Ownership Bill, committee. Resolution on Compensation for Green Howards.

OFFICIAL STATISTICS

Housing starts, completions and grants (August-provisional).

COMPANY RESULTS

Combined English Stores Group (half-year). Ready Mixed Concrete (half-year). United Newspapers (half-year).

COMPANY MEETINGS

AVP Industries, Herbet House, Lea Valley Trading Estate, N., 2. Albert Fisher, Kettering, 11.30. Linfood, Winchester House, E.C., 10.30. Melody Mills, Loughborough, 12. NPC, 321, Chase Road, N. 4. Watsham's, Caversham, 12.

EXHIBITIONS

Environmental Health, Harrogate. International Paint Engineering and Maintenance, Birmingham. National Club Show, Manchester. Mailing Efficiency, Bloomsbury Centre Hotel, W.C.1. Commercial Motor Show, Earl's Court, London.

SPORT

Boxing: World heavyweight title fight between Muhammad Ali and Ken Norton, Yankee Stadium, New York.

COMPANY NEWS + COMMENT

Adwest £1m. advance in six months

INCLUDING THE results of Sealed Motor Construction, acquired in August 1975, profits of the ADWEST GROUP for the year ended June 30, 1976 have jumped by £1m. to £4.22m.

At halfway the profit was up £129,000 at £1.18m., and absorbed a small loss from SMC. For the full year SMC has contributed £9.23m. to turnover and £262,000 to profits, after deducting interest on the loan stock issued and the cash part of the purchase price. Overall group liquidity has improved despite financing the acquisition.

With the first full year of a reorganised SMC in the Adwest Group, the directors are looking forward to 1977 producing an improved profit.

The final dividend is 4.7369p to raise the total from 6.3063p to 6.9369p. Earnings are shown at 26.1p (21.2p) and 21.6p (19.8p) fully diluted.

Adwest is a holding company of engineers, etc. serving the automotive, agricultural and industrial, electrical and engineering industries.

	1975-76 £000	1974-75 £000
Turnover	35,820	22,928
Trading profit	4,604	3,327
Interest paid	387	120
Profit before tax	4,217	3,207
Taxation	2,356	1,659
Prior year debits	53	*24
Minorities	48	45
Attributable	1,761	1,497
Dividends	453	438
Retained	1,275	1,059

* Credit.

● comment

The surprise in Adwest's figures is the way in which the group has revitalised the loss-making acquisition, Sealed Motor. After hefty losses in the first quarter SMC's fortunes turned thanks to some hefty pruning taking £1m. off operating costs. Overall Sealed Motor achieved a profit of £262,000 after a similar figure for financing costs, so the contribution to the current year should be comfortably over £½m. pre-tax. Elsewhere agricultural equipment has been poor and automotive components have held fairly steady, while the majority of the growth came from electrical engineering. Overall pre-tax profits are up 31 per cent. and a further good performance looks on the cards this time. An added support to the share price is the potential of Woodley Aerodrome, there are about 200 acres without planning permission as yet but the company remains optimistic. Cash balances are well over £1m. and the stake in Bendiberica of Spain, in the books at £½m. is worth over £2m. So the shares should find plenty of support at 136p where the yield is 8.1 per cent and the p/e (fully diluted) is 6

INDEX TO COMPANY HIGHLIGHTS

P. Bilton heading for £5.4m.

FOR THE current year the directors of Percy Bilton are looking for profits of around £5.36m. In the first half ended June 30, they report profits up from £2.32m. to £2.68m. and are confident that the second half will be just as good. The group is in a strong liquid position.

Although the demand for industrial factory and warehousing accommodation has diminished because of the economic position, the market has recently shown positive signs of improvement. Bilton is shortly to acquire a very large industrial development in a prime position within a few miles of London Airport which will immediately produce a substantial rental income for the portfolio.

An interim dividend of 2.19375p net is declared, and the directors intend to recommend a final increased to the maximum permitted. In 1975 an interim (and only) dividend of 4.021875p was paid from profits of £4.94m.

Net profit for the half year came out at £1.53m. (£1.38m.) and was derived as to 61 per cent. property investment, 16 per cent. industrial and residential development, and 23 per cent. contracting and other activities.

	First half 1976 £000	1975 £000	Year 1975 £000
External turnover	13,390	13,177	26,493
Inv. trading incm.	2,902	2,491	5,331
Depreciation	194	145	309
Licence fees	27	23	79
Profit before tax	2,681	2,321	4,943
Taxation	1,180	964	1,541
From Cap. Resv.	27	23	79
Net profit	1,528	1,383	3,181
Minorities	2	3	2
Available	1,526	1,380	3,179

● comment

Percy Bilton's 15.5 per cent. rise in pre-tax profits is mainly on the back of higher rents received and there will be an extra £2.6m. to come in 1977-78 just at 1975 rent levels. But the picture could be changed with the new acquisition, details of which should be known later this week. It apparently involves development plus leaseback but whatever the package, Bilton has £8.3m. in cash, as well as unused loan facilities. Its gearing ratio of 63 per cent. at the last accounts (net debt to shareholders funds less goodwill) is not too far stretched, especially since loans are long term and at cheap rates. With a maximum yield of 5 per cent., against the sector's 3.8 per cent., the shares at 138p could go higher at a time when the fashion for industrial property is rising. Even at current levels, there is an 11 per cent. discount to outside estimates of asset value.

FII up 17% to peak £0.72m.

AFTER RISING from £309,000 to £358,000 in the first half, pre-tax profits of Footwear Industry Investments finished the year to May 31, 1976, up by nearly 17 per cent. from £617,917 to a record £722,235 on external sales 16.3 per cent. higher at £8.93m.

Reflecting an increase in share capital and comparatively higher tax, earnings are shown to have slipped from 9.8p to 8.8p per 10p share. A final dividend of 2.418724p lifts the net total from 3.24884p to the maximum permitted 3.573724p.

● comment

Footwear Industry Investments has completed a year of steady profits growth with an increase of 17 per cent. on a similar advance in sales. It has not been an easy year for the manufacturing division, but concentrating on womens' fashion has avoided the worst competition from cheap imports, which are mainly aimed at the menswear market. On the other hand the group's own menswear manufacturing unit had to face this competition, but because of its ties with Marks and Spencer it has come out rather well. Meanwhile cash balances are up on the £½m. of a year ago and though the group remains acquisition minded suitable opportunities have not turned up. At 35p the yield of 16.9 per cent., covered 2½ times, is very fair compensation for a stock in a sector lacking in any real volume growth.

77% jump by J. B. Holdings

REPORTING an increase of 77 per cent. in first-half 1976 pre-tax profits from £504,000 to £894,000, the directors of construction and mechanical engineers, JB Holdings say that second-half results should be comparable to last year's second half when profits were £1,013,000.

First-half earnings are shown to be up from 2.42p to 4.29p per 5p share. The interim dividend is raised from 0.4p to 0.48p net to reduce disparity. Last year's final was 0.48p.

	Six months 1976 £000	1975 £000	Year 1975 £000
Group turnover	10,619	9,909	19,953
Profit before tax	894	504	1,527
Tax	465	262	791
Net profit	429	242	726
Dividend	48	40	88

The considerable improvement in profit margin represents a measure of the increased operating efficiency say the directors. Improved results have been recorded by all operating divisions.

The group has in recent years concentrated upon strengthening its liquid position and there are now adequate resources to take full advantage of any upturn in the U.K. economic position and of the considerable opportunities which exist overseas, they add.

● comment

All divisions at JB Holdings increased their profits, with the biggest rise from the building side (up 171 per cent. to £187,000) followed by a doubling of engineering profits to £461,000—the laggard was civil engineering supplies with a 19 per cent. rise to £246,000. Exports on the engineering side account for two-thirds of turnover—this and the contribution from associated companies explains most of the buoyant earnings. With the trend still continuing, profits for the full year should be over £1.8m. to give a prospective p/e of 3.3 at 29p (up 1p) where the maximum yield is 5.2 per cent.

Statement, Page 26

Sir Maurice Laing, chairman of John Laing and Son, who announces first half profits up by £2.17m. at £8.15m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
A.B. Electronic	3.47	—	3.05	4.52	4.1
Adwest Group	4.74	Nov. 13	4.31	6.94	6.31
Alpine Holdings ......int.	0.81	Nov. 22	0.81	—	1.95
Anchor Chemical	1.83	Nov. 13	1.49	—	3.36
Percy Bilton ......int.	2.19	Nov. 30	4.02	—	4.02
Cakebread Robey ...int.	0.3	Jan. 5	0.28	—	1.38
FII	2.42	—	2.2	3.57	3.25
Fisons ......int.	4.87	Jan. 3	4.4	—	10.47
Floreat Inv.	0.84	Nov. 15	0.84	1.54†	1.54
J.B. Holdings ......int.	0.48(c)	Jan. 6	0.4	—	0.88
W. & R. Jacob ......int.	0.81†	Nov. 29	1.25(b)	—	6.25(b)
John Laing ......int.	0.75	Nov. 13	0.67*	—	1.48*
Manders ......int.	0.75(c)	Nov. 22	0.54	—	2.07
Parker Knoll	2.1	Nov. 5	1.91	2.89	2.63
I.D. & S. Rivlin	1.17	Oct. 30	1.17	2.34(a)	2.38
Sunlight Service ......int.	0.32	Oct. 22	0.29	—	0.98
Tarmac ......int.	3.52	Nov. 11	3.2	—	7.98
Telephone & Gen. ..int.	3(c)	Nov. 1	1.9	—	7
C. & W. Walker ......int.	1.4	Nov. 24	1.3	—	2.68
Whittington Eng. ......int.	1.62(c)	Nov. 26	0.84	—	3.68
Willows Francis	1.79	Dec. 6	Nil	2.28	Nil

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 14 months. (b) Gross. (c) Increase to reduce disparity.

Parker Knoll upsurge

IN THE second half of the year to July 31, 1976, pre-tax profits of furniture makers, Parker Knoll surged ahead £0.42m. to £1.07m., leaving the full year figure £0.58m. up at £1.75m.

The dividend total is lifted from 2.627p to 2.889p with a final payment of 2.095p net per 25p share.

	1975-76 £	1974-75 £
Turnover	14,593,792	12,591,732
Profit before tax	1,747,265	1,169,117
Tax	908,213	608,915
Net profit	839,052	560,202
Interim div.	35,928	32,670
Final	94,799	86,201
Retained	708,325	441,331
To gen. reserve	150,000	150,000
Carried forward	1,725,289	1,166,944

The directors report that the current year has started well and although they will face problems they are confident that they are well equipped to handle them.

The directors explain that the higher second half profit was due to increased sales both at home and abroad and the higher profitability of exports following the fall in the value of sterling.

During the year the directors have continued to invest in productive capacity in the furniture and carpet factories. The total sum now invested in capital projects over the last six years, together with what is planned for the current year, exceed £3m. These investments have been funded out of profits without detriment to liquidity which increased "very substantially" in the last year.

The directors are actively seeking opportunities for extending the group into other areas of the furnishing market and are in a position to take advantage of any situation that both fits the group's market image and adds to profit.

In the furniture division turnover increased by 22 per cent. over the previous year's figures and profits reached a record level. Export sales showed useful gains and were more profitable than in previous years. The company entered the current year with a satisfactory order book and the directors are confident of a sustained record of profitable growth despite some evidence of more difficult market conditions ahead.

The fabrics division has had a most successful year, turnover profits were again a record. In particular, export sales increased by 25 per cent. and full advantage of the strong competitive position of our goods in European and overseas markets is being taken.

The overall market for carpets continued to be weak but an extension of mercia weavers sales force generated a very substantial increase in sales. The directors have expanded weaving capacity and this will enable them to increase turnover and profit this year.

● comment

After a 30 per cent. pre-tax gain in the first six months Parker Knoll's growth rate more than doubled in the second half to leave annual profits 50 per cent. higher. This owed a good deal to a recent switch to foreign currency in the invoicing of exports—all on the textiles side—but it also reflected a strong performance from the furniture division. Conditions in the U.K. furniture market were deteriorating towards the end of the period; the index of domestic furniture deliveries in June was 31 points down on the previous month, and although the figures since then show some improvement the current year could be tougher. Still, PK has apparently suffered no ill effects yet and with cash and short-term deposits currently around £1½m. (compared with market capitalisation of £1.9m., it looks better equipped than most to survive the difficulties. The yield at 48p, is 9.6 per cent. covered more than six times.

Dollar Land litigation position

The directors of Dollar Land Holdings have been preparing a circular to shareholders to report the proceedings at meetings on September 10, 1976, and it would very shortly have been printed.

On September 23, 1976, however, Mr. Justice Burchell of the Supreme Court of New York, gave judgment in the litigation (Westchester Action) which started in 1968. This judgment, which extends to over 90 pages, reached England yesterday.

Dollar Canada has 30 days to apply for an order to restore its right to vote the shares of County Dollar Corporation. The Court orders specific performance of the contract for the sale of the three American properties and directs how the purchase price shall be calculated and the claims of Atlas, as mortgages under the former Columbia mortgage, are to be met.

It is judged that some remedy has been won for the Dollar Group (which should eventually accrue to the shareholders of Dollar England) but the judgment is complicated to interpret and legal advice from New York is now awaited.

The report to shareholders will be held back for a few days, so as to include as much information as possible about the judgment.

ACCOUNTS DELAY AT CLIFTON INV.

The accounts for the year to March 31, 1976, of Clifton Investments have been delayed by an extensive management review involving all aspects of the trust's activities. The accounts will be considered by the Board on October 20.

Willows Francis leap

PHARMACEUTICAL group, Willows Francis has beaten both its profit and dividend forecasts for the year ended June 30, 1976. The pre-tax profit emerges at £230,660 compared with an estimate of not less than £180,000 and with a loss of £47,861 for the previous year.

The dividend is 2.275p net, with a final of 1.7875p against 1.3p forecast. The last payment was an interim of 0.3675p in respect of 1973-74.

	1975-76 £	1974-75 £
Turnover	2,228,243	1,975,858
Profit	230,660	*47,861
Taxation	119,077	*15,364
Minorities	11,330	0,993
Attributable	103,223	*32,290
Dividends	31,467	3,799

* Loss. † Credit.

At the net attributable level the profit emerges at £103,223 against a deficit of £32,290, and earnings per 20p share amounted to 7.6p (3.8p loss).

GOLD FIELDS SETS UP NEW COMPANY

In a new departure designed to market its financial expertise, Consolidated Gold Fields is establishing a wholly-owned subsidiary in Geneva, Gold Fields Financial Corporation.

The new company will offer corporate finance services to any concern wishing to make direct investments in or outside mining, provide advice on international business structures and initiate cross-border mergers and joint ventures.

ISSUE NEWS AND COMMENT

York Water £1m. debenture

Brokers Seymour Pierce have completed a placing of £1m. of 13 per cent. Redeemable Debenture Stock 1984 in York Waterworks at £99 per cent.

Interest on the stock is payable half-yearly on January 2, and July 1 with the first payment of £2.8178 due next January.

The proceeds of the issue will be used to redeem £498,200 of Redeemable Preference Stock on September 30 and for capital expenditure.

The issue price of £99 is payable as to £25 on September 30 and £74 on October 28.

Dealings start to-day.

● comment

After so long without a debenture issue it is surprising to see York hot on the heels of Mid-Sussex last week. Admittedly the York issue has a longer date and carries a higher coupon, but yield comparisons are inevitable, and here York has a flat yield of 15.13 per cent. against 14.95 for Mid-Sussex, though the redemption yield of 15.22 per cent. cuts under Mid-Sussex at 15.28 per cent. Looking at comparable stocks in the market only a couple of corporation stocks are similar—Barnet 14 per cent. 1984-85 and Islington 14 per cent. 1985-86, offer a redemption yield of just 14½ per cent. So York has its attractions.

SHORT TAP

The prospectus is published today in connection with the issue of £600m. of 11¼ per cent. Treasury Stock 1979 at £96.75 per cent. The application list opens and closes on Thursday. The stock is payable in full on application.

BUCKLEY'S—93%

Buckley's Brewery rights issue to raise £684,000 on the basis of one-for-three at 27p has been taken up as to 93 per cent. The balance has been sold at a net premium and the proceeds will be distributed to entitled shareholders.

Alpine down but expects to recover lost ground

DESPITE SUFFERING a sharp fall in profits from £370,000 to £96,000 for the 27 weeks ended August 8, 1976, Alpine Holdings expects to maintain the year's total at not less than the £764,000 reported for 1975-76.

Chairman Mr. Alan Dyer explains that the result is due to installations in the period by Alpine Double Glazing being substantially lower than anticipated. This resulted from a somewhat lower than usual volume of orders on hand at the beginning of the year and from minor administrative problems, since rectified.

The chairman says that he is able to be more optimistic as to the anticipated position at the year end because the volume of orders now on hand at ADG and the volume of installations currently being achieved, are at a record level.

Demand for ADG's products is still increasing and he expects the present upward trend in orders to continue. The industrial window company, has on the other hand, continued to face difficult trading conditions.

The results from Alpine Dreamline and Alpinair continue to improve and will undoubtedly contribute to group profitability in the current year. Century Aluminium (in which the group has a 34.7 per cent. holding) is taking advantage of improved conditions in the aluminium industry and both this company and Omaglass, the associate in Northern Ireland, are trading at encouraging levels, Mr. Dyer reports.

The interim dividend is unchanged at 0.8125p net—the total for the year ended January 31, 1976, was 1.95p.

	27 weeks 1976-77 £000	1975-76 £000
Turnover	5,547	5,273
Profit	96	370
Taxation	50	192
Net profits	46	178
Extraord. debits	47	—
Minority	3	1
Loss attrib.	4	177
Interim	81	81

* Comprises double glazing and aluminium windows £4.73m. (£4.79m.), other activities £0.82m. (£0.19m.), and discontinued freezer food activities £0.3m. (same). † Double glazing and aluminium windows £77,000 (£443,000), other activities £19,000 (£83,000 loss). ‡ Comprised trading losses and closure costs on the disposal of the freezer/food division. Dependent on future trading of retail shops, a further payment, not exceeding £25,000, may become due.

● comment

After an announcement in July that Alpine's double glazing division was doing well, it is a surprise to learn that lower volume at this subsidiary is the main factor behind a 76 per cent. slide in interim pre-tax profits. Demand has since picked up—orders are now about 20 per cent. higher than a year ago—and the group is looking for a second half profits increase of at least 63 per cent. This would allow the group to cover a historic dividend, yielding a hefty 19 per cent. at 16½p, roughly 1.7 times. The cash position is still strong and the problematical freezer side has been totally eliminated. But given the suddenness with which the first half downturn occurred the shares are bound to be a nervous market.

Manders making progress

PAINT AND ink manufacturers, Manders (Holdings) announces an improvement in taxable profit from £0.96m. to £1.06m. for the first half of 1976.

Chairman Mr. J. D. F. Tavendale reports that the demand for products continues to increase in varying degrees. There is now evidence of sharp increases in raw materials as well as other costs which could cause trading margins to deteriorate. Nevertheless, he expects results for the second half to be comparable with the £1.11m. for the second half of 1975.

To reduce disparity with the final the interim dividend is raised from 0.54p to 0.7469p net per 25p share—last year's final was 1.529p.

	Six months 1976 £000	1975 £000
U.K. paint and ink	690	665
Overseas ink	258	173
Property	116	116
Profits before tax	1,064	954
Tax	510	483
Net profits	554	471

● comment

Thanks to a 64 per cent. rise in overseas printing ink profits Manders first half pre-tax level is a tenth higher. The U.K. paint and printing ink performance has been predictably dull with profits marginally down on the corresponding period and 12 per cent. lower than in the preceding six months. The smaller U.K. paint manufacturers have been having a particularly tough time over the past year or so with rising material costs and competitive pricing eating into already slim profit margins. This seems likely to continue for some time but the main strength of Manders shares at the moment is probably the property side. The Wolverhampton shopping centre which is expected to bring in £0.3m. of rental income this year is scheduled for a reversion in 1980 after which the group has forecast "a dramatic increase in earnings." At 38p the shares are yielding a prospective 9.4 per cent.

NAME CHANGE FOR GIMSON

J. Gimson and Co. of Fenton, Stoke-on-Trent, has changed its name to Norton Industrial Ceramics.

Gimson has been part of Norton Company of Worcester, Massachusetts, U.S., since 1970. The Gimson name will not disappear but it will be retained as a registered trade mark to cover the traditional and established range of kiln furniture and other ceramic products manufactured by the company.

Cableform gathering momentum

In his annual report to shareholders of Cableform Group, chairman Mr. C. P. Chourlarton says the improvement in sales and profits which started in the first quarter of the current year has continued at an accelerating pace.

For the year ended March 31, 1976, group sales were £1.61m. (£2m.). Profit before tax came out at £53,102 (£48,093), after a loss of £12,000 (profit £16,000) at halfway. The group makes control gear for electrically driven vehicles and trucks. Some 64 per cent. of production was exported.

The chairman says £13,690 temporary employment subsidy was received in order to retain the maximum number of staff and work force in preparation for the expected revival in world trade.

ISSUE NEWS
York Water debenture
Alpine down ... to recover lost ...

Laing ahead £2.17m. after six months

...AX profit of John Laing ...n finished the first half of 2.17m. in front at £8.15m., ...rnover ahead £28m. at ...

...directors anticipate that, ... reduced returns from ...as, profit for the full year ...xceed 1975's £14.5m., struck ... a provision of £1.88m. for ...ion in value of land held ...ture development.

...net interim dividend per ...hare is effectively raised ...0.667p to 0.75p at a cost of ...00. Last year's adjusted ...was 1.477083p.

	Half year 1976 £000	1975 £000
...e	194,000	156,000
...ncome	1,994	1,416
... surplus	7,468	5,719
...ation	1,314	1,191
... profit	6,168	5,974
...n	4,450	3,100
...ly profit	—	89
...le	3,698	2,505

...directors say that despite ...ll in the U.K. construction ...t, the company's activities ...increased. The value of ...nding orders at home ...s at over £400m., which is ...cord. Nevertheless they ...ue to be concerned about ...future level of intake of ... especially in civil ...eering.

...demand for the company's ...factured products continues ...good and as stated in the ...l report productive capacity ...th Thermalite and Lytag is ...expanded.

...expectations for the expan... of overseas contracting ...ties have not yet been ...ed. The level of new orders ...was anticipated in the ...le East, has not been ...ved and the rate of work on ...major project has been much ...r than anticipated. There ...number of major overseas ...rs outstanding from which ...directors expect to secure a ...antial intake of work. They ... recently obtained the ...any's first Eastern European ...engineering contract, in ...nd, valued at £10m. The ...ver in Spain has continued ...crease but the market is ...ning to decline as a result ...e *Spanish economic down*...

...estment has been increased ...liquid resources have been ...er strengthened.

Increase by Cakebread Robey

...turnover up from £3.58m. to ...m., estimated pre-tax profits ...ilders and timber merchants, Cakebread Robey and Co., rose from £166,521 to £200,194 for the first half of 1976. Tax takes £104,100 compared with £87,000.

The interim dividend is lifted from 0.28p to 0.3p net per 10p share. Last year's total was 1.38p paid from pre-tax profits of £429,568.

Owing to the impractability of mid-year stock taking, gross margins for both half years have had to be estimated, members are told.

See Lex

Rivlin turns in £0.32m.

IMPORTERS, wholesalers and retail distributors of clothing and textiles, I. D. and S. Rivlin Holdings reports pre-tax profits of £316,914 for the 14 months to April 30, 1976 compared with £391,083 for the previous year. In the first six months profits fell from £391,000 to £210,000.

Earnings for the 14 month period are shown at 3.59p (4.85p) per 10p share and the final dividend is 1.17p net for a 2.34p (2.376p) total.

	14 months 1975-76 £	Year 1974-75 £
Turnover	13,472,000	12,508,000
Inter-company	2,956,000	2,253,000
External sales	10,516,000	10,255,000
Profit before tax	316,914	391,083
Tax	170,040	198,038
Net profit	146,874	193,045
Minorities	1,168	427
Extraordinary credits	—	39,032
Pref. dividend	2,320	2,520
Interim Ordinary	47,577	47,463
Proposed final	47,577	46,503
Retained	48,032	135,184

Thomas Barlow subsidiaries

Three companies in the THOMAS BARLOW GROUP have announced interim results.

After replanting expenditure, pre-tax profits of Chersonese (F.M.S.) Estates improved from £231,000 to £265,000 in the first

Prices of all the commodities the company produces are now higher than in the first seven months, so there should be an improvement in the rate of profit for the remainder of the year, say the Directors.

The interi mdividend is 0.4p (0.3p) per 10p shares.

The Bradwall (F.M.S.) Rubber Estate announces pre-tax profit at £179,000 for the same period, compared with £77,000—this is largely due to an improvement of £79,000 in the profit from the estates.

The price of rubber has now increased, compared with the first seven months of 1976, so there should be an improvement in the rate of profit for the remainder of the year, the directors state.

The first seven-months profit of Sugei Krian Rubber Estate was £235,000, compared with £158,000 due to a higher profit from rubber and palm oil.

The outlook for the remainder of 1976 is favourable, say the directors, because the prices of rubber and oil palm products have increased compared with those of the first seven months. There should be an improvement in the rate of profit for the remainder of the year.

Foreign & Colonial setback

A FALL in pre-tax revenue from £2.11m. to £1.62m. is reported by Foreign and Colonial Investment Trust Company for the first half of 1976.

The decline in revenue was mainly due to higher management expenses of £289,000 (£203,000) and interest up from £547,000 to £796,000.

As already known, the interim dividend is stepped up from 0.8p to 0.85p net per 25p share, at a cost of £558,000 (£525,000). Last year's total was 2.58p.

	Half year 1976 £000	1975 £000	Year 1975 £000
Revenue	2,706	2,464	5,029
Franked income	1,313	1,315	2,325
Unfranked income	1,394	1,746	2,804
Managemt. exp.	289	203	438
Interest	796	547	1,184
Revenue before tax	1,621	2,114	3,407
Tax	634	894	1,386
Net revenue	987	1,220	2,021
Pref. div.	47	47	94
Ordinary	558	525	1,693

Consolidated net assets at June 30 totalled £117.69m. (£109.27m. at December 31, 1975) equal to 179p (167p) per share. This included investment currency premium of £22.16m. (£24.94m.) equivalent to 34p (38p) per share. Contingent 25 per cent. investment currency premium surrender amounted to £5.25m. (£6.03m.) or 8p (9p) per share.

Investments at valuation on June 30 were £140.9m. (£127.5m. at December 31).

Fertilisers hold back Fisons

WITH THE other group activities offsetting a decline from £5.89m. *to £4.12m. by the fertiliser division*, profits before tax, of Fisons showed a marginal improvement from £10.16m. to £10.32m. for the first six months ended June 30, 1976.

Some improvement in the growth rate for the second six months is expected, arising from the strength of the non-fertiliser activities, the directors state.

At the trading level (including associates of £610,000 against £806,000) the profit emerged ahead at £12.57m. against £12.02m. Members are told that the considerable impact of drought conditions in Western Europe and the consequential serious effects on agriculture, coupled with price constraints in the U.K., resulted in activity profits increasing by only £0.5m.

However, the profit growth in all but the fertiliser division underlines the importance and value of a balanced profile of activities, the directors state.

Sales growth in the agrochemicals division—from £23.13m. to £27.55m.—arose mainly from the very considerable expansion *in exports, principally of Nortron* and Ficam. Adverse weather led to disappointing sales of some herbicides in the U.K. and Northern Europe and in the agriculture markets in South Africa and Canada.

Both horticulture and industrial chemicals have shown substantial recovery. Profits for the division increased by over 35 per cent.—from £2.81m. to £3.8m.—after a substantial increase in research costs.

Commenting on the fertiliser side, the directors feel that the full effect of the drought will extend beyond the first half of 1976 when home sales were a little above the same period last year, although margins were eroded due to price restrictions. Sales in Europe were less satisfactory due to the continued fall in demand for phosphates. Elsewhere export tonnages continued on the upgrade but prices fell significantly in a competitive market.

It has not been possible to maintain margins overall and in the face of the continuing rise in the sterling cost of imported raw materials. Increases in U.K. prices are therefore inevitable, they stress.

For the pharmaceuticals division progress made in the second half of 1975 continued with significant further development of Intal, Rynacrom and Opticrom. Benefits accruing from the establishment of group marketing operations—particularly in Europe—are clear. In the U.S. sales of acquired products such as Vitron-C and *Somophyllin are growing and* although the Cromolyn Sodium market overall continues to disappoint, sales by Fisons of Intal are taking an increasing share, members are told.

The interim dividend is raised from 4.4p to 4.8p on capital increased by the March rights issue. At that time a total of 11.5115p net was foreshadowed on the enlarged capital, which would compare with 10.465p for 1975. The pre-tax profit for that year was £16.68m.

	First half 1976 £000	1975 £000	Year 1975 £000
Trading profit	11,959	11,212	19,494
Associates	610	806	1,185
Making	12,569	12,018	20,679
Short term int. net	642	679	722
Deb. and loan int.	1,696	1,187	3,275
Profit before tax	10,321	10,161	16,682
Taxation	5,068	4,686	7,542
Minorities	16	3	25
Net profit	5,237	5,472	9,115
Attributable	5,237	5,472	8,667

An analysis of profit by activity shows (£000's omitted):—agrochemicals £3,801 (£2,806), fertilisers £4,120 (£5,891); pharmaceuticals £4,009 (£3,002), scientific equipment £711 (£420), and merchanting loss £72 (£101).

See Lex

First half slip at Jacobs

ALTHOUGH EXPORTS by Irish biscuit makers W. and R. Jacob continue to show an upward trend, it is most unlikely that the current year will produce the profit improvement that was originally expected.

In the first 28 weeks ended July 19, 1976, sales in the home market increased but margins and profits fell. However, most of this reduction was offset by profitable growth in exports, and the profit before tax came to £288,000, compared with £310,000 a year earlier.

The interim dividend is 0.8125p net on capital increased by the rights issue, and is equal to maintenance of last year's 5 per cent. gross. Total for the year ended 1975 was 6.25p gross paid from profits of £830,000.

Earnings for the period are shown at 3.9p (3.7p).

	28 weeks 1976 £000	1975 £000
Turnover	10,514	9,135
Operating profit	548	558
Depreciation	127	120
Interest paid	133	128
Profit before tax	288	310
Taxation	100	155
Net profit	188	155

Tarmac expands by over £1m. in first half

FIRST HALF 1976 profits of Tarmac were up 15.3 per cent., from *£8.01m. to £9.23m., on a turnover* ahead by £23.57m. to £223.35m. A good cash performance, coupled with the continuing interest savings arising from last year's rights issue, has assisted profits substantially.

The directors feel that the results are "a little disappointing," especially in relation to earnings per share which only showed a marginal increase from 7.5p to 7.6p. Good results in the major U.K. activities have, to some extent, been offset by losses in the properties division and also in Germany and South Africa.

The interim dividend is raised from 3.2p to 3.52p per 50p share. The total for 1965 was 7.98p paid *from profits of £20.27m.*

	First half 1976 £000	1975 £000	Year 1975 £000
Turnover	223,345	199,773	410,788
Profit*	10,398	10,117	23,536
Interest payable	1,161	1,135	3,266
Profit before tax	9,236	8,982	20,270
Taxation	5,079	4,165	10,175
Net profit	4,156	3,846	10,095
Minority int. etc.	85	145	132
Attrib.	4,071	3,701	9,963

* After depreciation £6,148,000 (£4,772,000) and £10,575,000.

In the last few weeks the acquisitions of Holland, Hannen and Cubitts and Thomas Lowe and Sons have been completed. Cubitts will add great strength to the construction interests, both at home and overseas, and Lowe is a valuable addition to the housing division. Both companies will begin to contribute profits in the second half of 1976. However, some further write-offs are likely to be necessary on the properties side and the percentage increase in profits in the second half may not be quite as great as in the first.

Despite the difficulties which can be anticipated in 1977 the directors are reasonably optimistic about the results for that year.

See Lex

Low & Bonar expansion

Low and Bonar announces that its subsidiary, Low and Bonar Packaging of Dundee, is to spend nearly £0.5m. on installing new printing and extrusion equipment.

A large proportion of the funds involved in this expansion and modernisation programme will be used to purchase another seven-colour gravure printing machine, and its arrival will enable Low and Bonar Packaging to meet the market's increased demand for its goods.

The second major item scheduled for installation is a £100,000 high speed extruder, which is being purchased to satisfy an increasing demand for the high specification shrink film. Its improved production rate will help to contain the effect of ever rising costs.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Blackleys, Brent Chemicals International, British Syphon Industries, Combined English Stores, Copydex, Estates and General Investments, Expanded Metal, Gross Cash Registers, IDC, Ready Mixed Concrete, Richards (Leicester), Solicitors' Law Stationery Society, Spira, Tomatin Distillers, Unicorn Industries, United Newspapers, Waterford Glass, Watmoughs, Wolstenholme Bronze Powders.

Finals—Bejam Group, Nelson David.

FUTURE DATES

Interims—	
Burmah Oil	Oct. 12
Corinthian Holdings	Oct. 12
Empire Stores (Bradford)	Oct. 13
Grattan Warehouses	Oct. 5
Martin (Albert)	Oct. 7
Miller (F.) Textiles	*Oct. 6
Northern Securities Trust	Nov. 18
Rockware	Oct. 6
Finals—	
Elrco	Oct. 20
Sharp (Charles)	Sept. 29
Western Dooars Tea	Sept. 30

* Amended.

Advance by Sunlight Service

ON TURNOVER up from £3.22m. to £3.76m., pre-tax profits of Sunlight Service Group (laundries, dry cleaning, etc.) rose from £161,961 to £179,376 in the first half of 1976 and the directors expect a satisfactory increase for the full year. Profits for 1975 reached £425,566.

The interim dividend is lifted from 0.2925p to 0.32175p net per 10p share. Last year's final was 0.6366p.

	First half 1976 £	1975 £
Group turnover	3,736,833	3,217,059
Profit before tax	179,376	161,961
Taxation	93,275	84,220
Net profit	86,101	77,741
Interim divedend	30,992	28,175

The purchase of Modeluxe Linen Services was not completed until the end of July 1976, and the figures do not reflect this acquisition. The Board anticipates a useful contribution to profits from Modeluxe during the current year, but expects the *real benefits to arise next year.*

All sectors traded profitably in the period. The decline in the volume of domestic laundry trade continued, but progress in restricting the effect has been hampered due to the fact that the programme to modernise the Wimbledon plant is not yet completed. It is anticipated that completion will take place within the next few weeks.

Recovery by Anchor Chemical

THE EXPECTED recovery in profit has been achieved by Anchor Chemical in the first half of 1976, reports the chairman Lord Hewlett. And he tells members that prospects for the second half and for the following year are good.

Despite the loss of the carbon black distributorship (which ceased on *April 1*), turnover in the first half rose some 20 per cent. to £4.1m. Group operating profit came to £175,000, compared with a loss of £19,000, and after deducting this time a £45,000 exceptional item, the profit before tax is £130,000.

The exceptional item represents exchange differences on currency alignment of the Eurodollar loan, but it is emphasised that this loan has been used to finance the building and expansion of the wholly owned Italian chemical plant.

The interim dividend is being increased from 1.49044p to 1.82636p per 25p share, this being the whole of the permitted rise for the year. Total for 1975 was 3.35919p.

Lord Hewlett says earnings from the new chemical plants at Clayton (Manchester) will start in the latest months of the second half, and prospects for that period are good. "*With a full year's contribution from these manufacturing units and improved prospects too, 1977 should be a good year.*"

TREATY REINSURANCES

Treaty Reinsurances, a subsidiary of Victory Insurance Company has increased the issued share capital to £500,000 by the allotment of 225,000 shares of £1 each to a number of insurance companies in Europe. The additional shares have been issued at £1.65 per share.

C & W Walker's £½m. target

...FLECTING "CONTINUED soundly based growth" ...nd W. Walker lifted profits ...£135,000 to £246,000 for the year ended July 31, 1976. And ...the whole of 1975-76 chairman ...G. Lewis is forecasting a ...rd level of not less than ...,000, which would compare ...£367,000 for the previous ...

...r. Lewis reports that the value ...rders on hand is the highest ... Order intake in all group ...panies is above budget and ...iderably higher than for the ...e 1975 period. A *substantial* ...portion of production con...es to be destined for overseas. ...roup liquidity is excellent and ...urces are more than adequate ...eet the needs of the higher ... of business. Second half ...lts should be at least equal ...hose now reported and the ...ctors expect to recommend a ...dividend at the maximum ...itted rate.

	First half 1975-76 £000	1974-75 £000
...over	2,297	2,035
...ng profit	274	191
...est	6	35
...eciation	22	21
... before tax	246	135
...tion	128	70
... profit	118	65

...n interim of 1.4p (1.3p) is now ...ared—the total for 1974-75 was 2.68125p. First half earnings per 25p share are 13.63p (7.4p).

The group specialises in fabrications and fabrication services involved with carbon and stainless steel, nickel alloys and engineering plastics serving all industries.

Armitage Bros. to top £0.31m.

PRE-TAX profit of pet product manufacturers, Armitage Brothers, expanded from £131,401 to £234,505 in the 28 weeks to July 10, 1976.

And the directors state that since July 10, trade has continued at a satisfactory level, and barring unforeseen circumstances, profit for the year should comfortably exceed the £312,568 for 1975.

Although in 1975, the terminal losses on the disposal of the catering division reduced the trading profit, the results for the first 28 weeks of 1976 represent a most satisfactory increase in both sales and profits: during this period, there has been a further strong increase in export sales and the volume of home sales, particularly in products of the company's own manufacture, has also been higher.

Since July 10, a new wholly-owned subsidiary Fins and Wings acquired certain trading assets of Harveys Fins and Wings, a business operating in-store concessions for pet products in departmental stores in the Midlands and South of England. The consideration was £19,500 payable in cash and this sum is subject to a small adjustment dependent on the value of stocks acquired.

The issued share capital of Rathburn Products was acquired for £60,000 payable in cash. This company manufactures a wide range of leather and other requisites for domestic pets.

R. Aitchison and Co. was acquired for £32,344. This company is a wholesaler of pet products.

These three acquisitions will enable the company to increase the range of its own products and also to improve its marketing and distribution, particularly in Scotland, says chairman Mr. S. R. Armitage.

The pet products industry within the U.K. is generally flat with no overall growth trend at the present time. The directors, however, are successfully increasing the share of the home market. Export markets are buoyant and there still appear to be opportunities for further growth, he adds.

Whittington Engineering progress

For the first half of 1976, profits of Whittington Engineering rose by £24,701 to £86,534. Turnover was up from £390,095 to £471,141, *and with orders beginning to increase it is expected that the* year's turnover will exceed the £0.8m. achieved in 1975.

However, higher costs and taxation may have some affect on profits in the second half.

The interim dividend is stepped up from 0.8375p to 1.825p net in order to reduce the disparity with the final, which was 2.737475p last time. Profits for 1975 came to £132,000.

After tax of £44,998 (£32,153) the half year's net profit was £41,536 (£29,680).

The company makes conveyors and mechanical handling equipment and all types of colliery pit tubs and mine cars: and acts as steel fabricators and engineers.

Floreat holds dividend

Although not covered by earnings Floreat Investment is maintaining its dividend at 1.5375p net per 25p share for the year ended June 30, 1976, with a final of 0.8375p, on increased capital.

Pre-tax revenue is marginally ahead at £74,918 against £72,160, after deducting special legal fees of £5,000 (nil). Tax requires £26,797 (£30,410), and earnings per share emerge at 1.42p against 1.715p.

Net assets per share at June 30 were 24.8p (35.6p).

DIPLOMA

Following the announcement reported yesterday that Northcote and Co., had been instructed to acquire any of Diploma Investments 10¼ per cent. Party Convertible Unsecured Loan Stock offered in the market at £110 per £100 Stock, a total of £185,975 Stock had been purchased up to the close of business yesterday and the order remains open until further notice.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Net	Times covered	Gross Yield	P/E Ratio
	F.P.	—	975	850	Amrien Med Int. Inc($1)	975	+45	Q24c	—	1.4	—
	F.P.	—	£21¾	£21¼	Berry Pacific Fd. US$1	£27¾	----	40c		0.7	—
	F.P.	17/9	70	64	Borthwick (Thos.) 50p	66	----	b5.6	2.0	12.8	5.9
	F.P.	—	£29½	£28¾	Dentsply Int. Inc. ($1)	£29½	+¼	—	—	—	—
	F.P.	—	£31¼	£26½	Kemark $US1	£30	+1½	Q$1.52		2.8	—
	F.P.	15/9	235	170	*Hambro Life Assur.*	180	----	$15.75	—	11.9	—
	F.P.	23/9	111	97	Mollins	105	----	b6.5	2.4	10.0	15.8
2.06	F.P.	—	$2.60	$2	Renown Inc. Y50	$2.47	----	Q 15%		0.7	—
	F.P.		132	98	Tolux S.A.	130	----	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
	F.P.	—	100	100	Agricultural Mortgage 13% Bond 1978	100	----
	F.P.				Agricultural Mortgage 13¼% Bonds 1978		----
	F.P.	—	106½	101½	Dentsply 9% £1/$ Conv. Uns. Loan 1991/96	106½	----
	£10	29/10	£9	£8¼	Eastbourne Waterworks 9% Red. Pref. '85	£9	----
			10	9⅞	G.T. Asia (Sterling) Fd. Prf. Red. Prf. (1p)	10	----
	F.P.	—	LF98¼	LF98	Ind. Fund of Finland 9% Guar. Notes '84	LF98¼	----
	£10	17/12	9¼	7¼	Islington 13½% Red. Stock 1982	8¼	----
	F.P.	—	98⅝	98½	Mid-Sussex Water 14¼% Red. Deb. 1982	98½	----
		—	$101½	$100½	New Brunswick (Province of) 9⅞%	$101¼	----
	F.P.	—	$98½	$98	Norsk Hydro 9% Bds. 1991	98½	----
	F.P.	1/10	100	94	Portsmouth Water 8% Red. Prf. Stk. 1981	94	----
	Nil	12/11	99¾	98½	Royal Tst. Mort. 9% Ref. 1982	99	----
	F.P.	—	$100½	$99¾	Saskatchewan (Prov. of) 9% Bds. 1986	$100	----

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
	Nil	—	—	31½	31	Armstrong Equipment	30½pm	----
	F.P.	8/9	6/10	15¼	14	Astra Sports	14	----
	Nil	5/11	—	190	175	Bank N.S. Wales	180pm	----
	Nil	—	—	23	23	Black & Edgington	23pm	----
	F.P.	27/9	12/11	11	10	Bolton Wells	10	----
	Nil	—	—	380	345	Broken Hill Props.	370pm	----
	F.P.	24/9	5/11	32	28½	Buckleys Brew.	32	+1
	F.P.	10/9	8/10	22¾	18½	Charterhall Finance	19½	+½
1.75	Nil	—	—	120	77	Comm. Bk. Aust.	80	−2
	Nil	28/9	15/10	15½	10	Norton Estates	10pm	−2½
	Nil	1/10	2/11	6	4	P.M.A.	4pm	----
	F.P.	19/8	1/10	231	214	Reed Intl.	228	−1
	Nil	2/8	8/10	2½	2½	Second City Prop.	[illegible]	----
	Nil	—	—	6¾	5	Shakespeare (J.)	5½pm	----
1.20	F.P.	18/6		141	85	Western Mining	116	+2
	F.P.	24/9	15/10	8	7	Whatlings	8	----
	F.P.	17/8	1/10	97	88	Whitecroft Ind.	89	----
20c	F.P.			90	47	Woodside-Burmah	88	−1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters for fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants. ◆ After suspension.

BIDS AND DEALS

BET group offer for Lovells

International Ferry Freight, a subsidiary of British Electric Traction, is offering to acquire the 73 per cent. of Lovell's Shipping and Transport Group which it does not own in a deal which values Lovell's at £722,000. The Lovell's shareholders will be offered £1.25 cash for each Ordinary share held.

But the Lovell's Board, advised by Kleinwort, Benson say the offer in "unacceptable." It will communicate with holders after it has studied the formal documents. In the meantime, holders are advised to take no action.

IFF is engaged in the international carriage of goods by means of containers and in international freight forwarding. It is already involved in joint activities with Lovell's.

The Lovell's directors control over 26 per cent. of the outstanding shares and the company itself, through a subsid'ary also owns 12.8 per cent. of its own capital. Accordingly the level of acceptances at which the offer may be declared unconditional will be subject to a ruling of the Takeover Panel.

Lovell's share price closed at 130p, up 3p.

FITZWILTON £11.2M. SHARE SALE

Fitzwilton, the loss-making Dublin-based industrial group, has sold its entire holding of 1,038,472 shares in National Mine Service, a U.S. coal mining machinery producer, to Chessie System, a U.S. railroad holding company, for $18.8m. (£11.2m.) cash—$18.125 per share. The money, *which is not payable until October 14*, will be used to reduce group borrowings.

The NMS shares which stand in Fitzwilton's books at £7.9m. are held through a wholly-owned subsidiary, Thomas Dockrell Sons and Co., and were bought in three tranches between January 1974 and May 1975 at an average cost of $8.96 per share.

POWELL DUFFRYN ACQUISITIONS

Powell Duffryn Shipping Services, a subsidiary of Powell Duffryn, is acquiring the shipbroking, chartering and shipping and forwarding business of Harris and Graham (Shipping) and T. P. Rose Richards (London) from October 1 for an undisclosed sum.

The acquisitions do not affect control and ownership of the *Harris and Graham underwriting* agency and insurance business.

HOGG ROBINSON

Hogg Robinson, the large insurance broking firm, has acquired Bloodstock and General Insurance Brokers of Newmarket for an undisclosed sum. Bloodstock and General specialises in providing a service in all areas of bloodstock, including racehorses, breeding stock, hunters and show jumpers.

SHARE STAKES

British Borneo Petroleum Syndicate advises that *Consolidated* Gold Fields holding (reported September 25) should have read 1,133,500 shares and not 1,333,500.

West of England Trust has acquired *3,844 Ordinary and* 125,000 "A" Ordinary shares in Gateway Securities bringing the holding to 13.4 per cent.

General Ceylon (Holdings) announce that Mr. L. C. Toppin has acquired a further 15,000 shares and now holds 16.85 per cent.

Trafalgar House Investments now holds 1,090,540 (24.01 per cent.) Ordinary shares in WGI.

Morgan Grampian announces *that Alpane of which* Messrs. D. A. Abramson and S. P. M. Pegg are directors (being also directors of Morgan Grampian) has acquired a further 310,000 Ordinary shares and now holds *2,381,000 shares (23.01 per cent.).*

G. Spencer's reasons for rejection

The Board of George Spencer has sent shareholders in the company detailed reasons why they should reject the 35p per share offer from Nottingham Manufacturing. The document states that the bid price represents a 60 per cent. discount on the group's net asset value of 87p in the last accounts. And adds that, following an independent valuation of the U.K. properties, a surplus amounting to a further 27p per share has been revealed.

The chairman declines to make a profit forecast but states that there has been a detectable improvement in the order book and that to "sell out cheap to Nottingham cannot be in your long-term interests." He does, *however, make a dividend fore*cast which will raise the payment by 15 per cent. to 4.57191p gross per share for the year. The increase has the approval of the Treasury.

The directors, which have a combined holding of 17.6 per cent. of the Ordinary capital, along with financial advisers County Bank, are calling on shareholders to ignore the Nottingham Manufacturing offer document. Shareholders, *representing* 11.8 per cent. of the equity, have already written to the chairman stating that they intend to reject the offer.

ASSOCIATES DEALS

Rowe and Pitman, Hurst Brown, purchased on September 20, 30,000 Ordinary shares in Abercorn General Investments for Castlemere Properties (Manchester) at 74½p.

J. Henry Schroder Wagg and Co. sold on behalf of associates 1,325 Ordinary of Tanganyika Concessions at 170p on September 21. W. Greenwell purchased on *behalf of Tate and Lyle* 6,612,585 Manbre and Garton Ordinary at 200p.

Guinness Mahon and Co. on behalf of Newman Industries, has purchased £44,700 of 4.9 per cent. Cum. Pref. stock in Agar Cross at 73p.

J. Henry Schroder Wagg and Co. sold 5,000 Tanganyika Concessions at 172p on behalf of associates.

On September 22 W. Greenwell *and Co. sold on behalf of* an associate of Tate and Lyle 40,000 Manbre and Garton Ord. at 199¾p, and on behalf of Tate and Lyle bought 2,308,626 Manbre and Garton at 200p. In addition, Tate and Lyle purchased 50,000 Manbre and Garton at 200p.

HOLLAS GROUP

In accordance with terms of a contract dated July 28, 1972 between Hollas Group and vendors of the Fortwell Group, Hollas has allotted 112,500 Ordinary shares (credited fully paid and ranking pari passu with existing Ordinary shares) in satisfaction of the *fourth (and final)* tranche of shares due under the terms of the contract.

Provincial Laundries improving trend

Shareholders in Provincial Laundries, dealings in which are currently suspended, were told by chairman, Mr. A. W. Ball, at the annual meeting that since the end of 1975, the company had traded profitably, albeit on a slightly reduced turnover following final withdrawal from the domestic market. That step marked the completion of that stage of the rationalisation of the laundry and cleaning business.

For the first half of 1976 indications pointed to the company showing an improved trading position by comparison with the previous six month and since then the trading and profit position will have improved still further. Interim results would be announced in the next three weeks.

On the question of the share quotation, Mr. Ball said a formal application for re-listing had been lodged with the appropriate department, and discussions were *taking place over the steps the* company would have to take to obtain such re-listing.

Mr. Ball answered at some length points raised in a circular from Advance Laundries, which holds 11 per cent. of the Provincial capital. Apart from complaining that Provincial's shares were still suspended. Advance queried the higher directors' emoluments, extraordinary items in the accounts, and the acquisition of *Basingkirk Estates.*

Taking the points, Mr. Ball said two full-time executive directors were taken on during 1975 in anticipation of the increased activity that would result from the proposed acquisitions. *In* addition, Mr. G. E. Cox's salary appears for the first time, following his appointment to the Board. The amounts paid during 1975 were £5,000 to Mr. D. A. Beatson-Hird, a former employee of Advance and previously its nominee on the Board, £6,897 to Mr. D. Leonard and £5,926 to Mr. Cox. As the proposed acquisitions have fallen through, neither Mr. Beatson-Hird nor Mr. Leonard *remain as directors, although Mr.* Beatson-Hird has been retained as a consultant until May 1, 1978. He will receive fees at the rate of £5,000 per annum from March 31, 1976, to December 31, 1977, and £1,000 per annum thereafter.

On the extraordinary items, he said regarding valuation fees, the company took the precautionary step of obtaining independent valuations of the properties that it proposed to acquire. It would be *extraordinary if* these expenses incurred by the company were not borne by it.

The company was involved in an attempt to launch an offer for Wadham Stringer and incurred expenses in doing so.

Provincial made a small loan to Southern Organs International which was placed in receivership with a substantial financial deficit. It was, therefore, thought wise to make a provision against the full amount of the loan.

On the acquisition of 12½ per cent. of Basingkirk Estates, he explained that these shares were previously held by Mr. C. C. Wood but were disposed of by him, and the Board felt it right to purchase them from the new owner to prevent them falling into alien hands. In the circumstances it was both necessary and justifiable to pay a premium. Further details about this company would be supplied in the documents in connection with the re-listing.

Bearing in mind the pending restoration of the listing, the Board is embarking upon active steps to increase its number by the appointment of one or more suitably experienced directors to act in a non-executive capacity, Mr. Ball concluded.

Optimism at Davy International

The chairman of Davy International, Mr. John Buckley, *told* shareholders at the annual meeting that "the order book has been maintained and the markets we serve, although less buoyant than they were, are still quite active and will, I believe, if tackled with resolution and skill, yield sufficient business to profitably employ our resources."

He went on to say that the first half results will be satisfactory and that the company faced the second half with "a high degree of optimism."

Charities in tax plea

A PLEA for tax concessions to help charities was made yesterday by James Loring, director *of the Spastics Society.*

MINING NEWS

Buffels facing lean times

BY PAUL CHEESERIGHT

IN COMMON with other South African gold producers, Buffelsfontein of the General Mining group is braced against lower revenue and higher costs. Against a background of falling dividends, *the* chairman, Mr. J. C. Fritz, warns in his annual report, "The significant decline in the free market gold price will have a serious effect on the earning capacity of the mine and if sustained will also have an effect on the mine's future."

In the meantime, Buffels is seeking to maintain production through an arrangement with the Anglo American Corporation group's Vaal Reefs mine. Negotiations for Buffels to secure a portion of the Vaal Reefs lease area to the south of its own concession have reached an advanced stage.

Under the right granted to mine the area, Buffels will meet 48 per cent. of the cost and draw the same percentage of revenue, while Vaal Reefs will face the remaining 52 per cent. of the cost and take a corresponding portion of the revenue.

Mr. Fritz says that this arrangement enables Buffels to postpone some capital expenditure on the mine's eastern zone. This area is where the future of the mine lies, but more geological knowledge is necessary before detailed planning for mining can start.

Capital expenditure for the year to the end of June 1977 is estimated at R7.3m. (£4.9m.), compared with R9m. for 1975-76. Buffels were 580p yesterday.

Oakbridge in new coal deal

AUSTRALIA'S Oakbridge mining group and Placer Development have reached agreement in principle for the joint development of the $40m. (£29m.) Coalex *coal prospect at Wolgan, north of Lithgow in New South Wales.* Coalex has an agreement to supply Japanese steel mills with 8.5m. tonnes of coal over a ten-year period.

Under the joint venture deal Placer will carry out a feasibility study of a mine capable of producing approximately 1m. tonnes of high fluidity coking coal per year and will arrange financing for the project. Production would be planned to coincide with the projected completion of the Botany Bay coal loader in 1979. Oakbridge were 108p yesterday.

ELLIOT LAKE'S URANIUM PLANS

Canada's Rio Algom, which is 51 per cent. owned by Rio Tinto-Zinc, has agreed to co-operate with an Ontario Government hearing into the expansion plans of the Elliot Lake uranium producers. The inquiry was announced last Thursday by the Province's Environment Minister, Mr. George Kerr.

At this stage Rio Algom is not clear what sort of information the Ontario Government wants but the company president, Mr. George R. Albino, notes that expansion will *more than triple the company's* workforce in the Elliott Lake community by the mid-1980s.

The population at Elliot Lake is expected to double in the next 10 years and Rio Algom is engaged in a house building programme. Similar steps are being taken by Denison Mines, which also has an active mining expansion programme.

Rio Algom, which has the largest uranium reserves in North *America* and contracts for uranium oxide running into the 1990s, plans to increase milling capacity to 7,000 tons a day from 4,500 tons by 1978 in the first phase of an expansion plan. Plans for the next phase are expected to be announced this year.

Denison is capable of milling 7,160 tons a day as a result of recent expansion and is considering an increase in milling capacity to 13,000-16,000 tons a day by the early 1980s. Shortage of manpower is a serious problem and training programmes are being extended.

Pilbara unrest

AS IF in response to last week's Japanese charge that labour relations on Western Australia's Pilbara iron ore mining belt were the worst of all Japan's suppliers, operation at the Rio Tinto-Zinc group's Hamersley mine stopped yesterday as the latest dispute between management and unions reached a crucial stage. Hamersley has just secured contracts to supply Japan with 6m. tonnes of extra iron ore after 1978.

Our Perth correspondent reports that a series of disputes started earlier this month with a row over first-aid facilities. Hamersley's Perth manager says that the current crisis has been caused by "a jumble of interrelated issues that change by the hour."

Reaction to the strike has come swiftly. In Tokyo, the Western Australian official representative, Mr. Les Slade, rejected trade union suggestions that the Japanese are not serious in threatening to by-pass the Pilbara as an iron ore supplier.

The Australian Federal Minister for National Resources, Mr. Doug Anthony, although optimistic about a major upsurge in Australia's resource development, warned the unions to change their "strike first and think later" attitude.

Hamersley has stood down 3,000 men and rejected the alternative of keeping some in unproductive work. Our correspondent says that this move reflects a new management attitude. The employers believe they have the backing of the public and most trade unionists in seeking to restore stability to the Pilbara.

The strictures of the Japanese and their reluctance to make more than a limited commitment to Western Australia for their expanded iron ore demand after 1979—is thought to have strengthened the employers on the Pilbara in their stand against strikes.

SOUTH AFRICAN COAL MERGER

Three South African coal companies, Duiker Exploration, Tweefontein United Collieries and Witbank Consolidated Coal Mines, have *announced* merger terms.

Duiker is offering shares to Tweefontein on the basis of 1.84 for each Tweefontein, but a choice of either shares or new shares and cash to Witcons.

For the straight share deal, Duiker is offering the equivalent of 2.18 shares for each Witcons. The alternative offer is 1.83 Duiker for every Witcons, plus a total of R1.74m. (£1.17m.) cash.

Should the Witcons shareholders accept the new shares and cash alternative, then the cash part of the deal will be paid to them through a bonus dividend of 90 cents (60.6p) and a capital repayment of 99 cents a share. And if the merger takes place Duiker expects to pay a dividend of 45 cents (30.3p) for the year to the end of September, 1977.

AB Electronic recovering

FOLLOWING INDICATIONS in May of an upturn in trading, A.B. Electronic Components has come out with 1975-76 results revealing a sharp recovery in the second half. The pre-tax balance for this period is up from £22,976 to £401,508, exceeding last year's total by some £22,000, and bringing the figure for the whole of the year ended June 30, 1976, up to £570,821. This compares with a record of £905,000 achieved in 1973-74.

With an improved overall order position, and customers' current requirements greater than for some considerable time, there are indications of a continued improvement in the group's performance, the directors state.

Basic earnings per 25p share, before extraordinary items, are up from 6.7p to 9.7p in the year and fully diluted they are ahead to 9.5p. The dividend total is raised from 4.10494p to a maximum permitted 4.51543p net, with a final of 3.46543p.

	1975-76	1974-75
	£	£
Turnover	12,458,060	11,157,060
Trading profit	1,157,090	952,251
Depreciation	492,517	425,177
Net interest paid	127,772	129,899
Profit before tax	**570,821**	**379,235**
U.K. tax	228,231	33,500
Foreign tax	19,560	124,212
Net profit	322,763	221,491
Extraordinary credits	[illegible]	105,651
Making	380,540	327,144
Dividends	170,249	136,399
Retained	210,291	190,554

U.K. tax charge low due to regional development grant credits of £[illegible] (£70,285) which are not taxable. This will be recurrent feature in future years.

The directors report that demand during the year was erratic and there was extensive short-time working for varying periods. The result reflects a "remarkable achievement of economies" [illegible] progress with the upturn of the economy.

Liquidity improved considerably. At the year end cash balances exceeded overdrafts, even after loan repayments of some £200,000 and an increase in stocks in anticipation of increasing demand.

Despite the recession, capital expenditure amounted to £900,000 and, more recently, the rate was increased to expedite several mechanisation programmes.

International sales suffered from the world-wide recession. However, increased order intake from abroad now indicates recovery during the current year, the directors state.

Product diversification continues, particularly to offset the shrinkage of the U.K. component market caused by the escalation of equipment imports in the audio and TV fields.

JONAS WOODHEAD

Jonas Woodhead and Sons, report that during the final conversion period ended September 20, 1976, a total of £492,102 of the 9½ per cent. Convertible Unsecured Loan Stock 1989-94 was lodged for conversion which will result in the issue of 375,653 Ordinary shares.

The figures shown replace those reported on September 24, the increases being due to two conversions which were misdirected.

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 a.m. ON THURSDAY, 30th SEPTEMBER 1976 AND WILL BE CLOSED ON THE SAME DAY

11½ per cent TREASURY STOCK, 1979

ISSUE OF £600,000,000 AT £98.75 PER CENT

DoT investigation changes unlikely to be dramatic

BY MICHAEL LAFFERTY, CITY STAFF

COMPANY investigations by the Department of Trade, which have recently been criticised for their methods and sensationalism, are unlikely to be dramatically altered although the sort of colourful language to describe the characters involved which has emerged in some recent reports will probably be toned down.

It was generally agreed among inspectors at a meeting yesterday that the observations in the Lonrho report about the characters of Mr. Angus Ogilvy and Mr. Tiny Rowland were necessary to understand the overall situation at the company. On the other hand, some felt that references to an employee called "Harry the Horse" as well as some other remarks in the recent report on Ralph Hilton Transport Services, may have gone too far.

These were among the main points discussed at the meeting of some 40 Department of Trade inspectors under the chairmanship of Mr. Edmund Dell, the Secretary of State for Trade.

Criticism that the investigation system is unfair were rejected. It was seen as an essential counterpart to the relative freedom allowed under the existing structure of British companies legislation.

Mr. Dell and the inspectors felt that people who abused the freedom allowed in the U.K. must realise that they run the risk of being exposed under the company inspection procedure.

The inspectors also objected to criticisms that they were trying, and sentencing, the people mentioned in their reports. It was pointed out that the system, based on Section 165 of the 1948 Companies Act, was not a judicial procedure, before a judge and a jury, but nearer the sort of investigation carried out by the Inland Revenue to combat tax evasion.

Self-indulgence

The main change likely to emerge from yesterday's meeting is some lessening of the "journalistic licence" allowed to inspectors, which culminated in the Hilton report. Officials want to draw a line to eliminate any self-indulgence on the part of the inspectors but still allow them to say whatever they feel is necessary about the characters involved.

Water curbs stay despite heavy rain

BY DONALD MACLEAN

HEAVY rain has fallen in many parts of the country—but this has not generally brought the lifting of restrictions.

In Yorkshire, it seems unlikely that standpipes will be used in the Leeds and Harrogate district this winter, as had been planned. In the south-western part of the county, including towns such as Wakefield, Halifax, Dewsbury and Huddersfield, the threat of rationing is said to have receded.

In Devon rationing has been postponed indefinitely in parts of the south and south-west, including the cities of Plymouth and Exeter. The South West Water Authority expects rationing to have been extended to 180,000 people in north, mid and west Devon by the end of the week.

In parts of valley in Gwent and parts of the cities of Cardiff and Newport supply has been restored for the time being because of a pollution risk arising from flooding.

In Gwent and the cities of Cardiff and Newport supply has been restored.

Recent rains have gone a long way towards restoring stocks in reservoirs although increases have been modest. The past month's rainfall has largely been taken up by the soil and run-off into stocks has been slight.

The table shows for selected areas the amount of rain in millimeteres required to dampen soil to the point at which run-off into reservoirs is produced:

	Aug. 25	Sept. 22
Norfolk/Suffolk	141.7	94.8
Somerset	141.0	99.3
Devon	139.8	92.7
Severn	136.7	92.2
Yorkshire	121.8	71.1
Glamorgan	126.8	50.5
Northumberland	121.4	52.2
Cumbria	107.7	47.2

Sir James says he was misled in Singapore

By Keith Lewis

SIR JAMES GOLDSMITH, chairman of Slater Walker Securities since the founder, Mr. Jim Slater, resigned in October, 1975, is claiming that he was misled by the Singapore authorities when negotiating over a settlement of the Haw Par loan and over Spydar, the controversial private dealing company set up by Mr. Slater and others.

Sir James says he was not told that extradition proceedings had been started against Mr. Slater and four of his colleagues a week before the settlement was arrived at.

"That was a most material fact," he said. It would have been absurd to reach the settlement if he had known extradition was to be demanded.

"The Press release issued after our negotiations stated that we had reached a full and final settlement of all matters in Singapore. The wording was approved by the office of the Attorney General in Singapore." The settlement included Spydar matters.

"I went to Singapore as chairman of Slater Walker Securities, and as such I was negotiating only on behalf of that company.

"But Haw Par insisted that the differences with Slater Walker could be settled only if, at the same time, the Spydar matter was settled. It then became necessary for me to act as a bridge between Haw Par and the Spydar participants."

As to whether the settlement with Haw Par covered both civil and criminal proceedings, Sir James said: "It is obviously not possible to deal with an alleged criminal offence with a civil settlement, but the agreement was that we, Slater Walker, would collect over a number of years certain sums from those who participated in Spydar.

"We all knew that some participants were in severe financial difficulties and could only pay out of future earnings.

"Clearly it would have been absurd for me to agree to such a settlement if I had reason to believe that as a result of extradiction proceedings there could be no such earnings."

He had advised Mr Slater and his colleagues to accept the agreement . . . "I had no idea the Singapore authorities would try to use the terms against them. . . .

"Unfortunately, Singapore has eliminated the jury system, and the atmosphere there concerning Mr. Slater is both highly emotional and political."

Shares in Slater Walker Securities fell yesterday by 1½p to 7½p in advance of a live television interview last night in which Mr. Slater made his first comments since his resignation last year.

The Singapore Government's extradiction request is still being considered.

Labour MP urges change in voting system

MR. RON ATKINS, Labour MP for Preston North, is launching a campaign to get the Labour Party to adopt proportional representation as part of its official policy.

Mr. Atkins said yesterday that he planned to raise the matter in the Parliamentary Labour Party—the first time a Labour MP has come out in favour of proportional representation in public.

"If 11m. votes produce 317 MPs and 5m. votes produce only 13, there is not much democracy about that," he added.

"In my view, the Labour Party, if it is interested in real democracy, will have to face up to the demands for proportional representation.

"Most governments since the war have been elected on a minority vote, and 50 per cent. of present MPs are elected on minority votes in their constituences."

He was anxious for the Parliamentary Labour Party to discuss the issue in depth.

"It is particularly relevant in relation to the devolution debate. If we are going to have a Scottish Assembly, then it should be elected on the basis of proportional representation."

From this, the Government could find out how the system would operate on a national basis.

A referendum on devolution may be "unavoidable," Mr. Nicholas Edwards, Opposition spokesman on Wales, said in Hereford yesterday.

"I have never really doubted that the time would come when some kind of referendum would become necessary and that people would have to be asked not just whether they wanted an Assembly but whether they wanted separation.

"We could not permit the break-up of the union without giving the people the direct opportunity to prevent that tragedy."

The Government is already thought unlikely to block proposals for a referendum in Scotland only expected to be put to Parliament during the passage of the Devolution Bill. The suggestion has previously received support from other prominent Conservatives, including Mr. Edward Heath.

Mr. Edwards, MP for Pembroke, said that England, with its overwhelming Parliamentary majority, would have every opportunity in Parliament to ensure that English feelings and the consequences for Britain as a whole were not overlooked.

Then a referendum could ask the people whether they approved of the plan Parliament had agreed, and implementation could be conditional on the result.

The central question would be "Do you or do you not want what Parliament has proposed?"

Automation in ceramics needs 're-skilled' staff

BY JAMES McDONALD

THE INTRODUCTION of new and improved manufacturing methods in the ceramics industry involved the "re-skilling" of employees rather than a run-down of manpower, Sir Arthur Bryan, chairman of Wedgwood, said in Stoke-on-Trent yesterday.

Sir Arthur opened the international '76 exhibition, said the event was 50 per cent. bigger than in 1974 when the last show of its type was held in Stoke. This stemmed from the growing importance and the continuing developments of mechanisation and technology in the various sectors of the ceramic industry.

He stressed that the industry was not embarking on a machine-versus-man era. The machines had almost always played an important part in production.

"In the past 10 years or so ceramic engineers and technologists have achieved greater advancement than ever before and are continuing to do so. It is vitally important that these efforts should be encouraged and given every opportunity of attaining even greater steps forward in the introduction of new and improved mechanical and scientific means of manufacture to enable us to achieve the production efficiencies that are so essential in keeping our industry competitive in world markets."

But, Sir Arthur pointed out, "all this does not mean a running-down of manpower: it is a question of re-skilling—rather than de-skilling—as far as our employees are concerned."

He hoped that, with perceptive process engineering, an increasing degree of mechanisation, which would call for the re-skilling of operatives, could be introduced. "At the same time there will remain a considerable requirement for a wide variety of hand skills, many of which are being improved with innovations in techniques and materials."

The exhibition is allied with a four-day conference which is being attended by delegates from 18 countries. The theme is "Quality and Productivity in the Ceramics Industry."

Rules on goods sold 'should not change'

By Michael Lafferty

COMPANIES should not change their accounting treatment of goods purchased under the reservation of title conditions, the consultancy Committee of Accountancy Bodies said yesterday.

These conditions, increasingly commonly used, can improve the position of the unpaid seller vis-a-vis other creditors if the purchaser becomes insolvent. Under them, the seller retains title to the goods sold and, in some cases, the right to other goods produced from them and the ultimate sale proceeds.

Thus goods sold to a company which subsequently goes insolvent remain the property of the seller until fully paid for. Proceeds of any sale by the purchaser may be regarded in law as being held in trust for the seller.

Role of industrial films

BY JAMES McDONALD

THE INDUSTRIAL film could play an important part in [illegible] "It is high time [illegible] Lord Watkinson, president of the Confederation of British Industry, said in London yesterday. [illegible] to explain its functions and its contribution to our social and economic fabric. We must respond to this, for it will be increasingly dangerous to let our case go by default," he said at the opening of the International Industrial Film Festival, sponsored by the CBI, at the National Film Theatre in London.

"In both [illegible] pressure on industry [illegible]

APPOINTMENTS

Noel Stockdale on Halifax Building Society Board

Mr. A. Noel Stockdale, chairman of Associated Dairies, has been appointed to the main Board of the HALIFAX BUILDING SOCIETY.

★

Mr. Robert E. Sadler Jnr. has been named vice-president in CHEMICAL BANK LONDON with responsibility for the bank's relationships with all non-indigenous multinational corporations in the U.K. and Ireland.

★

Mr. Robin Courage has been appointed a local director of the Ipswich district of BARCLAYS BANK.

★

Mrs. Ann Taylor, Labour MP for Bolton West, has been appointed Parliamentary Private Secretary to Mr. Fred Mulley, Secretary for Defence.

★

Mr. Robyn Grant, managing director of HEUGA U.K., takes over responsibility for Heuga U.S. Inc., and Heuga Canada in addition to his present duties.

★

Mr. Anthony Docherty has been appointed managing director of FARESAVERS.

★

Mr. Herbert H. Correll has become managing director of A. P. GREEN REFRACTORIES in the U.K.

★

Viscount Slim has been appointed chairman and chief executive of PEEK HOLDINGS following the resignation of Mr. John B. Leworthy who will remain a director of the company and become deputy chairman. Prior to his appointment, Lord Slim was a director of Morganite International, a subsidiary of Morgan Crucible.

★

Mr. Llewelyn John has been appointed from October 1 as a regional director of the Salisbury Regional Board of LLOYDS BANK under the chairmanship of Mr. S. James L. Hill. Mr. John, who retired from the bank in October last year, was an assistant general manager.

★

Dr J. P. Berry has been appointed director of the RUBBER AND PLASTICS RESEARCH ASSOCIATION in succession to Dr. W. F. Watson who has left to join the Allied Polymer Group. A new management Board has been formed and its first chairman is Mr. S. R. Badley, a vice-president and immediate past chairman of the association's controlling Council. Initial members of the management Board are Dr. Berry, Mr. Barrie Davey, director of administration, and Dr. Malcolm Hall, director of technical development.

★

Mr. D. A. Clapton and Mr. D. A. Laws have been appointed vice-presidents of MANUFACTURERS HANOVER TRUST COMPANY. Both are loan officers and will remain with the bank's London branch office.

★

Mr. John Mann, previously managing director of J. Allen and Co., a Lonrho trading company in Nigeria, has been appointed chief executive of the new IRISH NATIONAL TRADING CORPORATION, backed by the Irish Government and leading industrial companies.

★

Mr. Graham Hearne, a director of N. M. Rothschild and Sons, has been appointed a member of DOVER HARBOUR BOARD for three years.

★

Mr. J. H. Aubrey has been appointed to the Board of PROPERTY GROWTH ASSURANCE COMPANY and continues as secretary. Mr. Charles Williams, a director since its inception in 1969, has resigned, but remains a member of the agricultural investment committee.

★

Mr. Denis de Freitas has become chairman of the BRITISH COPYRIGHT COUNCIL in place of the late Mr. H. C. Leon. Miss Brigid Brophy has been made a vice-chairman in succession to the late Mr. Ronald Barker. Mr. Graham Whettam continues as a vice-chairman, Mr. Eric Waughray takes over as honorary treasurer, and Mr. Geoffrey Adams is secretary.

★

Mr. George Fesus has been appointed vice-president, Europe, Middle East and Africa, at AMERICAN EXPRESS card Division, replacing Mr. John Dowd who has moved to the Travellers Cheque Division of American Express.

★

Mr. F. H. Archer has been appointed deputy chairman of GEORGE WIMPEY AND CO. (NIGERIA). Resident in Lagos, he will have special responsibility for West and Central Africa. Previously a member of the Board of management of George Wimpey and Co., Mr. Archer has been a director of George Wimpey International since its formation in 1973. Mr. D. A. Gibson has become plant manager for West Africa, based in Lagos, and Mr. G. V. Lasetter has been made manager of the company's Caribbean operations. Mr. R. G. Head is now divisional manager in Wimpey's U.K. civil engineering department with special responsibility for liaison between the U.K. and Nigeria. He will also retain responsibilities as chief engineer to the civil engineering department of the parent company.

★

Mr. Raymond C. Jorden has been appointed certification and documentation manager of the ARAB-BRITISH CHAMBER OF COMMERCE.

★

Mr. Patrick Barnes and Mr. Colin Shepherd have been appointed to the Board of IPC MAGAZINES.

★

Dr. Peter Reynolds has been appointed a member of the Industrial Injuries Advisory Council at the DEPARTMENT OF HEALTH. He replaces Mr. R. G. Hitchcock.

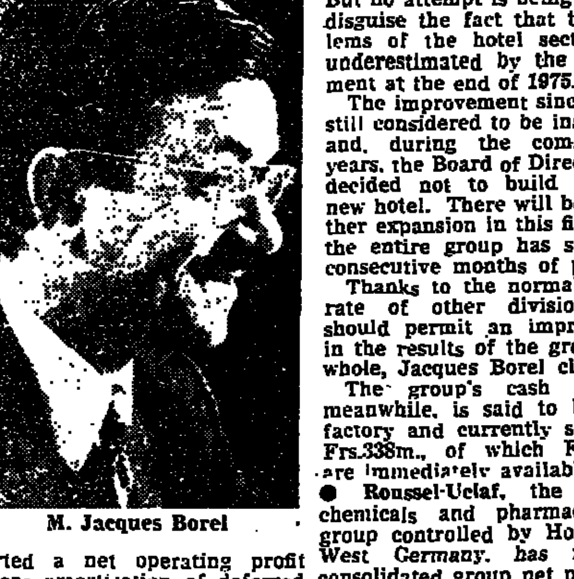
Improved second quarter figures from J. Borel Int

BY ROBERT MAUTHNER

PARIS, Sept. 27.

Jacques Borel International, the French catering and hotel group, whose vacillating fortunes has kept the Bourse on tenterhooks over the past few months, has bounced back into the limelight with improved second quarter results and typically confident forecasts of better figures to come.

After nearly foundering in the summer, when Borel shares tumbled by more than 30 per cent. because of the large losses made by the hotel sector, particularly the recently-acquired Sofitel chain, Borel has reported a net operating profit before amortisation of deferred expenses and taxes of Frs.3.76m. (about £440,000), after the deduction of Frs.5.8m. of losses on the hotel side.



M. Jacques Borel

This compares with an operating loss of Frs.12.3m. in the first quarter and a loss for the hotel sector alone during this period of Frs.13.5m.

The group's recovery, according to Jacques Borel himself, is therefore making good progress. Hotels apart, the operating profit for the second quarter was as much as Frs.9.6m. and even the ailing Sofitel Hotels have been in the black since May this year.

Gross sales, meanwhile rose to Frs. 732m. during the first half compared with Frs.463m. in the comparable period of 1975, a jump of 58 per cent. including new acquisitions, or 26 per cent. excluding acquisitions. In the second quarter alone, gross sales totalled Frs.400m., as against Frs. 235m. for the equivalent period last year.

Provisional figures for the third quarter of this year indicate a continuing rapid rise in profits, according to the group. But no attempt is being made to disguise the fact that the problems of the hotel sector were underestimated by the management at the end of 1975.

The improvement since May is still considered to be insufficient and, during the coming few years, the Board of Directors has decided not to build a single new hotel. There will be no further expansion in this field until the entire group has shown 12 consecutive months of profits.

Thanks to the normal growth rate of other divisions, this should permit an improvement in the results of the group as a whole, Jacques Borel claims.

The group's cash position, meanwhile, is said to be satisfactory and currently stands at Frs.338m., of which Frs.190m. are immediately available.

● Roussel-Uclaf, the French chemicals and pharmaceuticals group controlled by Hoechst of West Germany, has reported consolidated group net profits of Frs.33.5m. (about £4m.) for the first half of 1976, down by some Frs.8m. on the same period of 1975.

Consolidated sales for the same period went up by only 4 per cent. to Frs.1.6bn., less than required to offset the effect of price rises and variations in the exchange rate, but the proportion of exports to total turnover rose slightly from 56.5 to 57.5 per cent.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1985	104	104½
Aquitaine 10pc 1985	104½	105¼
Bowater 9½pc 1986	103	103½
Caisse Ntl. Autorte. 9pc '86	99¾	100½
CNE 9½pc 1985	100¾	101¼
ECS 9½pc 1986	102	102½
EIB 9½pc 1985	104	104½
ERAP 9½pc 1985	102½	103
Esso 8pc 1986 Nov.	100¾	101¼
Eurofima 9½pc 1983	101	101½
Granges 9½pc 1985	102½	103½
ISE Canada 9½pc 1990	102½	103½
Massey Ferguson 9½pc 1991	102½	103
Michelin 9½pc 1986	100¾	101½
MODO 9½pc 1985	102	102½
Ntl. Westminster 9pc 1986	99½	100½
Norpipe 9½pc 1986	100¾	101¼
Norsk Hydro 9½pc 1986	102½	103½
Oslo 9pc 1988	100½	101½
Pacific Light 8pc 1988	97	97½
Prov. Quebec 9pc 1984	101	101½
Sandvik 9½pc 1986	102	102½
Prov. Saskatchwn. 8½pc '86	100½	101
SFE 9pc 1985	101	101½
Shell 8pc 1986	101½	102½
Stand. Oil (Ind.) 8½pc 1988	102½	103½
Svenska Handels 9½pc 1986	102	102½
Volvo 9½pc 1985	104	104½
NOTES		
Bank of Tokyo 8½pc 1981	101	101½
Barclays 9½pc 1982	102½	103½
British Gas 9pc 1981	101½	102½
Charb. France 8½pc 1981	100	100½
Denmark Mort. Bk. 8pc '83	100½	101
ECS 8½pc 1981	101½	102½
EEC 8½pc 1982	98½	99½
Montreal Urban 8½pc 1981	99	99½
Nacnl. Financiera 9pc '81	102½	103½
Nat. Coal Board 8½pc 1981	100	100½
New Bruns Prov. 8½pc '83	100½	101½
Seagram 9pc 1983	102	102½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83½	85½
Ashland 5pc 1988	83	85
Beatrice Foods 4½pc 1992	102	104
Beatrice Foods 4½pc 1992	119½	121½
Borden 5pc 1992	103½	105½
Broadway Hale 4½pc 1987	79	81
Canon Camera 7½pc 1989	108	
Carnation 4pc 1987	86	88
Chevron 5pc 1988	120	122
Dart 4¾pc 1987	88½	90½
Eastman Kodak 4½pc 1988	110	112
Economic Labs. 4½pc 1987	79	81
Fed. Dept. Stores 4½pc '85	112	114
Firestone 5pc 1988	89	91
Ford 6pc 1986	97½	99½
Ford 5pc 1988	87½	89½
General Electric 4½pc 1987	89	91
Gillette 4¾pc 1987	77½	79½
Gould 5pc 1987	101½	103½
Gulf and Western 5pc 1988	95	97
Harris 5pc 1992	94	96
Honeywell 6pc 1986	84	86
ITT 4½pc 1987	79½	81½
Komatsu 7½pc 1990	109½	110½
J. Ray McDermott 4¾pc '87	156	158
Mitsubishi Elec. 7½pc 1991	108	109
Mitsui 7½pc 1990	103½	104½
J. P. Morgan 4½pc 1987	111	113
Nabisco 5½pc 1988	95½	97½
Owens Illinois 4½pc 1987	106	108
J. C. Penney 4½pc 1987	84	86
Raymond 5½pc 1988	104½	105½
Revlon 4¾pc 1987	113	115
Reynolds Metals 5pc 1988	93	95
Sperry Rand 4½pc 1987	101	103
Squibb 4½pc 1987	83½	85½
Texaco 4½pc 1988	78	80
Toshiba 6½pc 1990	107½	109½
Union Carbide 4½pc 1992	114	116
Warner Lambert 4½pc 1987	89½	91½
Warner Lambert 4½pc 1988	85½	87½
Xerox 5pc 1988	77	79

Source: Kidder, Peabody Securities.

Steyr-Daimler plan saved in Greece

BY PAUL LENDVAI

VIENNA, Sept. 27.

A LAST-MINUTE Austro-Greek agreement appears to have saved a major but controversial venture of Steyr-Daimler-Puch, the leading Austrian motor company, from liquidation in Greece. After long-drawn out negotiations, the Greek Government reaffirmed some of the commitments originally underwritten by the previous military dictatorship with regard to sales gurantees and financial support for "Steyr-Hellas," the giant Austro-Greek venture.

According to the agreement, signed last week, the Greek Government gave a commitment to buy 3,500 lorries during the next five years. The order worth Sch.2bn. (about £66m.) and the provision of long-term credits to the tune of Sch.300m. are regarded by the Austrian company as a sufficient guarantee for the viability of the project.

It is also reported by the Austrian Press that similar guarantees have been promised with regard to the production and sale of tractors. Even under these circumstances, however, the original production target must undergo a drastic downward revision.

At the time of the deal with the military dictatorship in April 1972, the production targets were 5,000 tractors and 3,000 lorries per annum. For the project which was said to cost Steyr Sch.1.8bn. in investments at the time, the military rulers also promised tariff protection and various fiscal concessions. Now, under the best of circumstances, "Steyr-Hellas" can reasonably expect to sell only 1,000 lorries and 2,000 tractors annually, provided the Greek Government will also allow export rebates for sales on third markets.

The new deal also gives a breathing space of two years for Steyr with regard to further investment financing. The plan to erect a plant for manufacturing 30,000 mopeds, 80,000 bicycles and 2,500 motor-cycles annually have been shelved. A liquidation of the project would have meant an outright loss of Sch.300m. to Sch.500m. for the Austrian company.

Meanwhile, Steyr reports for the first half of 1976 a rise of 15.5 per cent. in turnover to Sch.4.2bn. Orders in hand are worth Sch.2.8bn. and suffice to guarantee production until the end of the year. Domestic sales in the six-months period were up by 17.7 per cent., while exports rose by 6.5 per cent.

Loss-making Dutch paper group calls in McKinsey

BY MICHAEL VAN OS

AMSTERDAM, Sept. 27.

Van Gelder, the leading Dutch paper manufacturer in which the U.S. Crown Zellerbach company has a 50 per cent. interest, has informed the trade unions that it has called in the McKinsey consultancy. Van Gelder recently reported a loss of Fls.18.2m. in the first half of this year after having suffered a loss of Fls.25.2m. in 1975.

The company's board here said that the report would be completed by the consultancy at the end of this year. It is currently surveying the so-called indirect sector of office staff comprising around 1,500 of the 5,500 people employed by the paper manufacturer.

A spokesman for the trade unions said that the Van Gelder board had been urged not to take any measures that could affect the staff position at the company where a halt on personnel recruitment had been in force for some considerable time. The unions have also said that they are only prepared to discuss consultancy reports concerning the company as a whole and not just separate sectors.

Van Gelder, whose sales in January-June increased to Fls.438.6m. from Fls.406.2m. in the same period last year, was apparently back on the recovery trail in 1974 when it made a record profit of Fls.39m. It had incurred losses totalling many millions of guilders in the preceding years.

In common with other paper manufacturers, however, the Amsterdam-based company was hit very hard by the general decline in the paper business during the economic recession. It has already given a warning that this year would again be one of "major losses," despite business improvement in the second half of this year. Last year's first half still showed only a marginal profit of Fls.0.4m.

The company has also indicated that the financing of the construction of a large new newsprint plant, costing some Fls.300m. is sewn up. The go-ahead on the long-planned project still depends on certain conditions being met, but the board said that negotiations are expected to be finalised shortly.

Since the construction of such a plant is a very costly affair, Van Gelder has been having talks with the authorities and various newspaper organisations for the past few years. The publishers, it is understood, have given the company certain paper purchases guarantees, so that they will most likely not be forced to buy their materials in the Nordic countries.

In a survey of the Dutch paper industry, published by Barclays Kol here before the weekend, the bank said that Van Gelder was on a cyclical upturn and could be making profits again in 1977, particularly if it went ahead with plans to close down obsolete plants. It added that paper prices were currently still so bad that *a profitable operation was not* yet possible at Van Gelder although the situation could improve towards the end of this year.

Van Gelder derives 60 per cent. of its sales from paper production — 388,700 tons in 1975 — of which 39 per cent. is for export. It is also involved in packaging and trading.

Warning of redundancies for State industries in Austria

BY OUR OWN CORRESPONDENT

VIENNA, Sept. 27.

OIAG, THE HOLDING company for the Austrian nationalised sector, reports a total turnover of Sch.81.2bn. (about £2.7bn.) last year, as against Sch.80.2bn. in 1974.

Announcing the figures for 1975, Dr. Franz Geist, director-general of the holding company, criticised the steep rise of wage costs and fringe benefits. Gross salaries rose by 17.2 per cent., the wage bill by 11 per cent., and the cost of fringe benefits by 20 per cent. last year, compared to 1974.

The wage bill must be contained within manageable limits, he warned. Even so, redeployment involving some redundancy will be inevitable in such sectors as steel and aluminium.

He pleaded for diversification and announced that tht Board had authorised a research project to study whether the manufacturing of a medium-sized car was feasible in Austria. Dr. Geist also advocated concentration of the chemical and petroleum sectors.

Thus in his opinion, one single board should be in charge of OMV, the State petroleum concern, and Chemie Linz, the chemical company. A copper mine and a coal pit will have to be closed within the foreseeable future, and drastic rationalisation was also needed in the aluminium sector. The cash flow of nationalised companies fell from Sch.9.1bn. in 1974 to Sch.5.2bn. last year. The federal state will have to provide Sch.500m. next year to finance the structural changes in the nationalised sector, Dr. Geist concluded. Neverthless he expressed moderate optimism about the future and added that the share of exports has risen from 33.7 per cent. to 36.7 per cent. of the sales total for the nationalised sector.

Scrip issue from Sims

BY JAMES FORTH

SYDNEY, September 27.

SIMS CONSOLIDATED, the major scrap metal, pastoral and computer group, plans a scrip issue despite a 16 per cent. drop in earnings for the year to June 30. Profit dipped from the 1974-75 record $A10.7m. to $A9.0m. This is well within the forecast earlier this year by directors. When announcing a setback in the first half the Board said that the full result was expected to be below the 1975 peak but should at least equal the 1973-74 profit of $A7.4m. The profit would have included a full year's results of the Queensland agricultural machinery group, Napier Bros, acquired in the previous year.

The lower profit was despite a 4.4 per cent. increase in group sales from $A151m. to $A158m. Sims recently attracted attention with a report that its group chief executive was moving to Hong Kong to co-ordinate the group's activities in South East Asia leaving the Chairman to fill the role of chief executive.

THE STRUGGLING accommodation chain Travelodge Australia has reported operating losses and provisions totalling almost $A3.4m. for 1975-76 compared with a profit of $A1.1m. in the previous year. The deficit is broadly in line with a forecast by directors in July when recommending a takeover bid of 40 cents a share from the Hong Kong based parent Southern Pacific Properties, which owns 68 per cent. of the capital. But provisions and losses under equity accounting are treated somewhat differently from the forecast with the result that the operating loss for the year is shown at $A561,000, compared with a predicted profit of $A230,000 and a profit of $A707,000 in 1974-75.

Bank chairman confident

ECONOMIC CONDITIONS in Australia could be reasonably buoyant by mid-1977 provided there is further progress towards dampening inflation and inflationary expectations and business and industry respond *to budgetary concessions, stimuli* and challenges.

The Chairman of the Commonwealth Banking Corporation, Professor L. F. Crisp, said this in the Corporation's 1976 Annual Report. "Although Australia is lagging behind the world recovery trend and progress towards moderation of inflationary pressures and recovery in private sector activity has been disappointingly slow, the fundamental requirements for recovery are gradually moving into place," he said.

"The 1976-77 financial year commenced with the Australian *economy apparently in the early* stages of recovery and with the prospects for a sustainable recovery dependent upon further moderation in inflation and inflationary expectations. Meanwhile, however, trends and short-term prospects in employment and unemployment, most notably in New South Wales, remain matters for concern."

Difficulties for 'The Citizen'

By Our Own Correspondent

JOHANNESBURG, Sept. 27.

THE PAST TWO WEEKS in Johannesburg have been enlivened, if that is the right word, by the appearance of a new English-language daily paper, The Citizen, which has been launched as a competitor for the successful Rand Daily Mail.

Essentially its staffers see it as a downmarket paper, which, in the jibe of one commentator, is intended "more for naartjie throwers than decision-makers (naartjies are small tangerines which are thrown on to the pitch at rugby matches). Its political line is indistinct and there has been great emphasis on coverage of, for instance, child prostitution in New York and sex orgies in the same city's morgue.

The early issues have been characterised by a series of what appear to be unpremeditated policy changes. Thus sport, which began in the middle pages, has been shifted to the traditional back pages.

The chief editor, Mr. Martin Spring, has been replaced after 14 issues by a former editor of the rival Saan Group's Sunday Express, Mr. Johnny Johnson, which must rate an entry in the Guinness Book of records. And circulation, claimed at 134,000 on the first day (against the RDM's 170,0000) has slipped back officially to 85,000 but, in the estimation of competitors, is no more than 40,000.

Layout has generally been *cluttered* and unclear and the major weakness has probably been the business section, which compares poorly with the RDM's excellent coverage. A specimen citizen story, reviewing the annual report and accounts of the Newcastle-Platberg colliery group, began as follows: "A conservative annual Newcastle-Platberg report is one of conservatism." The gossip columns have mainly been devoted to apologising for the previous day's typographical and other errors.

The Citizen's proprietor is Mr. Louis Luyt, chairman of the Triomf Fertilizer Group, who made a bid for South African Associated Newspapers, owners of the RDM and others, last year before deciding to go ahead with the Citizen launch. Always rather one of the stormy petrels of South African industry, he has other problems as well.

He and his companies are involved in two major lawsuits in which a total of Rand 31m. is being claimed. The first is an R27m. action against *Bamangwato Concessions*, the company which operates the accident-prone copper nickel mine at Selibe in Botswana, and whose holding company in turn is Botrest, for its alleged failure to deliver sulphuric acid to one of Triomf's fertiliser plants.

The other is an R4m. libel action against the Sunday Express (ironically the old employers of the Citizen's new editor), its editor and various journalists and printers for an article on Triomf's R100m. phosphoric acid plant at Richards Bay which, it has been alleged, will be a white elephant. The action is being defended, as is the one against Bamangwato.

Thus the troubles are coming in battalions, not single spies. The Citizen's present revenue is a matter of conjecture, but the R12m. Mr. Luyt has said he will make available may not last long if circulation is as low as rivals suggest. And difficulties could be compounded by advertisers withdrawing if sales do not come up to the levels predicted when space was originally sold.

Niarchos in clash on $50m. State oil refinery contract

BY OUR OWN CORRESPONDENT

ATHENS, Sept. 27.

GREEK SHIPPING magnate Stavros Niarchos and the Greek Government to-day appeared to be on a collision course over an oil refinery contract signed in 1970.

In a statement issued here today, the Niarchos group accused the government of raising constant obstructions in the performance of the concessionary agreement "with the obvious intent to confiscate one's property without compensation."

Under the 1970 agreement, Niarchos undertook to invest $50m. to modernise and expand a State oil refinery outside Athens valued at about $25m. The expansion increased annual processing capacity of the refinery from 1.7 to more than 5m. tonnes of crude oil.

Under the agreement, Niarchos acquired two-thirds of the refinery and the State kept a one-third stake.

Now the Government wants to revise the contract because, it says, the Niarchos group has failed to implement a number of parallel investments it undertook to carry out.

But the Niarchos contract was in some ways linked with the *terms of another* agreement between the State and banker-industrialst Stratis Andreadis. And since the Andreadis contract, for an oil refinery with an annual processing capacity of 6m. tonnes, never got off the ground, the Niarchos group considers its non-implementation has freed it from its obligation to carry out those parts of its contract connected with it. Hence the divergencies.

In its statement to-day, the Niarchos group categorically denied press reports this week that the extension and modernisation of the refinery were partially made at government expense. The statement said the Niarchos group provided the necessary capital in full.

A Niarchos spokesman also *emphasised that the group has* so far invested about $60m. in a new graving dock for Hellenic Shipyards, owned by Niarchos, outside Athens. The spokesman said the time limits for other investments have still not run out.

The statement said that constant obstructions by the governmen forced the Niarchos group to seek international arbitration on its contract on August 2 this year. It appointed Dr. Werner Abs, former president of the Deutsche Bank, as its arbitrator.

On September 15 the Government appointed Mr. Constantine Tsangarakis, president of the Legal Council of the State, as its arbitrator. The two are now expected to agree on an umpire and take the case before the Swiss Federal Court in Geneva.

The reference by the Niarchos group to State confiscation without compensation comes only a few weeks after the government moved to take control of the vast business empire of Professor Stratis Andreadis.

Professor Andreadis, who lost control of an empire estimated *at more than £800m.* has also accused the government of blatant confiscation of his property.

The spread of State control has been causing concern in business circles here. The government, however, insists it supports private initiative.

Conglomerates to merge

By William Dullforce

STOCKHOLM, Sept. 27.

STORA KOPPARBERG and Uddeholm, two of Sweden's largest steel and forest product conglomerates, are planning to merge their special steel interests. The Boards of the two companies have agreed on a study to be completed in two months on both product and marketing coordination between Uddeholm's plant at Hagfors and Stora Kopparberg's two plants at Söderfors and Vikmanshyttan.

The three works have combined sales of about Kr.850m. (£114m.), of which 75 per cent. are exports. There are expected *to be some redundancies* among the 3,000 employees involved.

The background is stiffening foreign competition and declining profitability. Mr. Erik Sunblad, Stora Kopparberg's managing director, says that Swedish cost levels are now so high that something has to be done to improve the works' ability to compete. Uddeholm's managing director, Mr. Gunnar Wessman, said that against very tough competition from all the larger industrialised countries, Sweden was beginning to lose its advance in the manufacture of quality steels.

The Stora Kopparberg/Uddeholm announcement was accompanied by a communique from Jernkontoret, the Swedish iron and steelmasters' association, which has a special committee investigating the special steels industry. It described the two companies' move as the first of the measures needed to put back both production and marketing costs among nine special steel manufacturers.

Further fall in orders for West German steel

BY GUY HAWTIN

FRANKFURT, Sept. 27.

WEST GERMAN steel producers are expecting to see an increase in short time working following a heavy decline in orders. The fall in demand this summer has also worsened the already none-too-healthy earnings position of many concerns.

The scale of the downturn came as something of a surprise. After a promising start to the year, summer orders started to shrink heavily—by August to the level of the same month of 1975, the deep point of last year's depression.

According to Dr. Ruprecht Vondran, deputy general manager of the Iron and Steel Industry Association, orders for rolled steel products in August, at 1.51m. tonnes, were 100,000 tonnes down on July's depressed figures. Furthermore, they were a full 450,000 tonnes down on the monthly average for the first half of 1976.

An increasing number of steel products were now being produced at a loss because of the fall in demand, said Dr. Vondran. Crude steel production during the current year was now expected to total about 44m. tonnes against 40m. tonnes in 1975, he said. While this was an improvement, it had to be compared with a 1974 output total of 53.5m. tonnes.

Orders had been *bugged* up by growing home demand, but during the year there had been a worrying decline in export bookings. Exports as a proportion of production had fallen from 1975's 40 per cent. to 30 per cent. At the same time German steel makers were facing stiffer competition in their home market with the proportion of imports increasing to 35 per cent. from the former average level of 25 to 30 per cent.

The utilisation of capacity by steel producers was far from satisfactory. In most sectors it was running at 70 to 75 per cent., but in the large plate area it had fallen to under 50 per cent.

Steel producers attribute most of their order problems to the low level of demand from the manufacturers of capital equipment. Two of every three tonnes of steel produced is destined for this sector. However, as reported earlier, order figures for the first half were probably boosted by the rebuilding of stocks run down *in last year's recession* as customers tried to hedge against forecasted price increases.

MONTHLY PERFORMANCE OF EUROPEAN STOCK MARKETS SINCE THE END OF 1974

END OF MONTH	GERMANY (Commerzbank index)	FRANCE (Agefi index)	HOLLAND (general index)	SWITZERLAND (SBS index)	ITALY (Agefi index)
12/74	100.0	100.0	100.0	100.0	100.0
1/75	112.3	121.7	119.7	120.6	112.2
2/75	127.8	125.0	127.5	130.1	124.1
3/75	125.4	131.9	125.0	126.7	119.7
4/75	127.6	143.0	129.1	132.5	118.1
5/75	119.1	140.8	123.4	131.9	115.6
6/75	119.8	137.6	122.1	131.1	103.1
7/75	119.7	137.6	113.6	124.4	90.1
8/75	113.4	136.6	109.0	118.8	89.0
9/75	108.4	126.2	98.0	110.5	83.7
10/75	122.0	136.3	106.8	125.2	86.0
11/75	124.8	139.4	115.1	130.0	89.1
12/75	126.9	138.4	116.2	137.0	87.7
1/76	130.5	139.5	123.0	142.8	73.2
2/76	130.6	143.4	122.8	142.8	85.1
3/76	136.4	134.4	123.8	144.6	68.6
4/76	127.8	129.5	123.4	143.1	62.4
5/76	123.9	124.4	116.6	145.2	66.3
6/76	126.3	125.2	112.0	148.0	71.8
7/76	125.0	116.2	113.0	148.2	76.4
8/76	124.0	113.6	109.9	148.0	73.2

Source: Beckmaster & Moore. All comparisons in U.S. dollars.

'Company doctor' called to Norrbottens Järnverk

WILLIAM DULLFORCE

STOCKHOLM, Sept. 27.

...ESSOR Ulf af Trolle, the ...any doctor" who has ...ed successfully on several ... Swedish concerns, is to ...t his skills on Norrbottens ...rk, the State-owned steel ...ny. NJA is expected to ...a loss of around Kr.400m. ...) in 1976. Its controver...an to build a new Kr.16bn. ...n.), 4m. tonne/year steel ... at its Luleaa head...rs, which was already ...ed earlier this year, is ...to be further revised.

...essor af Trolle has been ...ed as a consultant by Mr. ... Wahlström, NJA's new ...ging director, who takes ...n January. Mr. Wahlström ...es Mr. John Olof Edström, ...arent of the new steel ... project who resigned ...tically last February, com...ng of lack of support from ...anagement of Statsföretag, ...tate holding company and ...t to NJA.

... Per Sköld, Statsforetag's ...ging director, stated in the ... issue of NJA's staff ...al that the steel company ...n the verge of bankruptcy. ...njection of some Kr.2bn. ...m.) would be needed to ...the losses of the last three ..., meet interest payments ...write off debts. Statsföretag ...not raise such a sum and ...ament would have to auth... the allocation of public ..., Mr. Skold said.

...a press conference in ...a, at which his appoint...was announced, Professor ...rolle said he thought NJA ...l be put back into the black. ...ave never met a company ...n can't be made profitable, ...ded it has sufficient liquid ...s, can freely exploit the means of competition and has the right structure," he said. NJA would need Kr.1-2bn. to clear off its debts "and then we can manage on our own."

Both he and Mr. Wahlstrom stressed, however, that they would concentrate on making the existing steel works efficient. Production, the product range and the marketing apparatus had to be reorganised. The existing

Ulf Af Trolle

blast furnace had a capacity of 1.7m. tonnes a year but had never produced more than 1.1m. tonnes, Mr. A. F. Trolle pointed out. It would take four or five months to work out a new strategy for the company.

Neither of the new exectives would comment on the Government plan launched just before the 1973 election to expand NJA with a giant new steel works, in order to create jobs in northern Sweden. At an estimated cost of some Kr.13bn. the project in its original form would have been Sweden's biggest-ever industrial investment, producing semi-fabrications for export. Later the plan was modified to include two rolling mills, one to be built at Luleaa in co-operation with Krupps and the second at *Gävle with Stora Kopparberg.* The plan was heavily criticised by independent economists and became a major political issue in Sweden.

Earlier this year the Minister of Industry announced that the project would be curtailed, reducing the cost to some Kr.8-10bn. and the planned output to 2.6m. tonnes of steel a year. Krupps withdrew from the rolling mill project at Luleaa, which was abandoned. Studies continued on the second rolling mill but comments by leading steel industry figures over the last two weeks indicate that this too will be postponed, if not dropped.

Mr. Wahlstroin emphasised that Mr. A. F. Trolle's appointment had been decided before the general election on September 19, at which the Social Democrats were ousted for the first time in 44 years. The Government now being formed by the three non-Socialist parties is expected, nevertheless, to take a more critical view of the steel works project. Mr. Skold, Statsföeretag's managing director who has consistently opposed it, called on Mr. Falldin, the prospective Prime Minister, only two days after his election victory.

Solel Boneh profits up to £15m.

TEL AVIV, Sept. 27.

SOLEL BONEH, Israel's largest building concern, owned by the Federation of Labour, reports in its consolidated balance sheet for 1975 an increase in pre-tax profits by 54 per cent. over 1974 to £15m. and a net profit of £8m. (excluded are companies in which Solel Boneh holds less than 51 per cent., including two abroad in which it has minority holdings). Operations abroad—where profitability was much higher than locally—accounted for 42 per cent. of *total pre-tax profit.* Solel Boneh will pay a dividend of 10 per cent. on Preferred stock A and of 6 per cent. on Preferred B, G, and D. While the profit for 1975 is regarded as very satisfactory, the company is preparing for tougher times ahead in view of the slow-down in new home construction and the Government cutbacks on public building.

Deutsche Babcock

OBERHAUSEN, Sept. 27

SALES OF the Deutsche Babcock Group in the first ten months of the fiscal year ending September 30 were at the same level as the comparable previous-year period and totalled DM2.295bn., the company reported in its employee newsletter.

Order inflows was up 1 per cent. to DM3.740bn. in the first ten months and because of large orders for power stations in oil-producing countries, the foreign portion of these orders rose to 59 per cent. from 41 per cent. For the same reason, the order backlog was up 31 per cent. at the end of the period, to DM7.449bn. from DM5.702bn.

Despite the rise in order backlog, however, certain sectors still weren't operating at capacity, the company added. A stagnation in domestic power station construction and the uncertainty that the Government's energy programme will be implemented was a negative influence.

AP-DJ

Swiss Kreditanstalt

ZURICH, Sept. 27.

SCHWEIZERISCHE Kreditanstalt expects 1976 to be a good year despite a slowdown in domestic lending business, Bank Director, General Heiz Wuffli said to-day.

He told a Press conference that this decline was balanced by an increase in foreign lending, although the balance could tend to become disproportionate next year.

Good turnover is reported from the securities and issuing business, while profits from foreign exchange and gold dealing are smaller, he said. Last year net profit was Frs.173m. (Frs.156m.).

Interfood Holding planning to develop new products, markets

BY JOHN WICKS

...MPROVE its sales and profit ...gins, the Interfood group—...se major subsidiaries are the ...s chocolate companies ...ard and Tobler—will have ...develop new products and ...kets. *This was stated here to-...* at the annual general meet... of Interfood Holding SA by ...pany president General ...er.

...auer, who stressed that ...rts must also be reinforced ... existing markets, said new ...colate products were neces...y as well as diversification in ...ious other sections of the ...d industry.

...nterfood has a number of ...dies current in various ...ntries. Among new activities ...he plant in the Ivory Coast, ... which Interfood holds just ...der 50 per cent., which at the end of next year will start production of cocoa liquor, cocoa butter and cocoa powder.

In the long term the company says it is open to chances of a partnership with large com*panies in the food industries of* the developed world.

● NET PROFITS of the Swiss Reinsurance Company, of Zurich, rose slightly to Sw.Frs.55.2m. (Sw.Frs.53.4m.) for the year ended June 30 and the Board is to recommend payment of an unchanged dividend of Sw.Frs.90 per share. While non-life reinsurance showed a technical loss for the 12-month period, due primarily to North American business, a satisfactory result was recorded by the life reinsurance sector.

The company, which lowered its cost increase rate to below 4 per cent. for the year, recorded capital earnings, mainly from investments in foreign currencies, equal to those for 1974/75. Changes in the value of securities, which had shown a loss *in 1974/75, brought a "substantial"* profit in the past business year.

● THE SWISS-BASED lift and escalator concern, Schindler, announces that the first half of 1976 has seen the first increase in order volume since the beginning of the recession. Orders for lifts and escalator units rose by 23 per cent. over the corresponding period of last year, although there was a 4 per cent. decline in overall value owing to a rise in orders for small and medium-sized lifts rather than large ones, a further fall in sales prices

SOUTH AFRICAN PROPERTY

Deep in the doldrums

BY RICHARD ROLFE, JOHANNESBURG CORRESPONDENT

TEN YEARS AGO, the commercial property market in South Africa was one of the most dynamic parts of the republic's economy. Major towns like Johannesburg resembled building sites and big projects like the Standard Bank Centre and the Anglo American group's Carlton office block and hotel-cum-shopping centre were being developed.

Property shares rose to huge premiums on underlying net assets which in turn stood at *inflated values.* Property, whether township or commercial, was regarded as the one solid hedge against inflation; rentals were buoyant and optimisim unlimited.

Different

How very different it all is to-day. In Johannesburg only one major office block is going up, which is the Sanlam Life Assurance group's R45m., 31 storey tower on the east side of the city's central business district (CBD) and it will be filled largely by Sanlam affiliates, many of which will have to with*draw from their existing* premises to help fill the Sanlamsentrum. Thus from next September another 500,000 square feet of office space will be virtually dumped on to the Johannesburg CBD market where, property brokers estimate, there is already some 2m. square feet of unlet space. The oversupply position is paralleled in Durban and Cape Town, where about 2m. and 1m. square feet of office space respectively remains unlet.

In 1975, about 1m. sq. ft. of office space was let in Johannesburg, with a tendency for older space to empty and the newer space to fill. But in the current year, the market has turned weaker, and the take-up rate in Johannesburg is expected to halve. The tendency, too, has been towards falling rentals, even in the new buildings, as the tenant who threatens to move on expiry of his lease is frequently bought off with a rental reduction. Brokers do not expect any equilibrium in the Johannesburg CBD market until 1979 at the earliest and in Cape Town and Durban it is even further away.

The Johannesburg equilibrium projection will at least hearten Retco, the property arm of SA Breweries, which has begun sink*ing the foundations for its arbi*trade complex at the west end of the city, which will house the new stock exchange. It is scheduled to be completed in 1980 and could catch the market just as it is beginning to turn up. Its estimated cost is R30m. for a complex with a gross building area of 620,000 sq. ft., of which 420,000 sq. ft. is office space. Retco has raised R12.5m. at 13.25 per cent. and is negotiating for the balance, which will cost at least a point more.

The highest rentals in Johannesburg are generally in the Carlton Centre, where new office leases are being negotiated at 57C per square foot per month for low rise premises, rising to 70C at the top of the tower. The Carlton Centre Company, owned 29.9 per cent. by Anglo American Properties, with the bulk of the other shares spread around the Anglo group, has just announced a profit of R0.8m., after four years of losses.

The Carlton aside, office rentals are more typically in the 40C range. But with cost inflation in the building industry running at 18 per cent. in 1974 and 12 per cent. in 1975, and borrowing costs now at all time high levels, property brokers estimate that the developer needs to let prime space at an average 80C-90C to show a reasonable return. That means letting at well above the Carlton's top rate. For the private, as opposed to the institutional developer, it is no longer possible to build CBD office blocks on a profitable basis.

Mr. Chris Melville, managing director of Anglo American Property Services, which administers both the Amaprop and, since the takeover of the Schlesinger organisation, the Sorec property *portfolios, says* neither plans any new developments at the moment. The reasoning, typical of other property managers is that, according to Mr. Melville, "with the present high cost of finance and building, and even making the most optimistic rental assumptions, we cannot envisage reasonable profits in CBD office developments in any of the main centres of South Africa, nor do we see this position changing in the next two years." Sorec and Amaprop between them employ gross assets of more than R210m. and, taking Sorec's profit with Amaprop's loss, show combined net earnings of little over R1m.

The whole question of whether insurance groups should in effect be subsidised by the authorities in competition with private developers has aroused a good deal of resentment.

The main secular trend in the commercial property market has been the increasing involvement of the institutions, especially pension and life funds. According to Sanlam's property investment manager, Mr. Etienne le Roux, in 1961 the insurance companies held 7.5 per cent. of their assets in fixed property and the figure had risen to 15.2 per cent. last year, showing a huge increase in both relative and absolute terms. The pension funds held a cumulative 1.3 per cent. in fixed property in 1961, which rose to 4 per cent. last year.

Private developers have become increasingly concerned at the institutional dominance of new property projects. Mr. Cyril Hofman, of Hofman Construction, a quoted group whose shares at 68 cents yield 15.5 per cent., has recently summed up the private developer's dilemma, with the observation that "I can't put up buildings unless I can let them, but the institutions can." Mr. Jimmy Ward, managing director of Retco, says the institutions, because of their more favourable tax treatment, have a tax shelter which means that depending on their ratio of pension fund business to other insurance premiums, their tax rate is somewhere between 6 per cent. and 12 per cent. This, private developers argue, gives the institutions a competitive advantage which forces the opposition to compete with one hand tied behind their backs.

But hand-in-hand with increasing direct institutional involvement in property has gone reduced availability of institutional *funds for mortgages.* According to official reserve bank figures, ten years ago the insurance companies had R600m. in the mortgage-lending market, while in to-day's much larger market they have only R420m. The private developer has therefore been squeezed on both sides, with more competition and less funding for the few projects which remain viable. The whole question of whether insurance groups should in effect be subsidised by the authorities in competition with private developers has aroused a good deal of resentment.

The ability of the institutions, on the other hand, to accept lower returns than the private developer, has certainly held project costs down. Brokers note that in the past few years no prime property in Johannesburg has changed hands on a yield of more than 8 per cent. Mr. Errol Friedmann, a partner in the property broking firm of J. H. Isaacs', notes that despite the present level of interest rates, institutional buyers of property have had no option "but to adjust their investment parameters downwards."

Since institutional involvement in property has mainly concerned the life and pension funds, there has been little straight banking money in the market on the commercial side, though Trust Bank has bailed out the troubled Cape group Leon Pascall. On the township side, it has been a different matter, and chickens hatched during the 1969 property and share market boom are now coming home to roost with a vengeance. Barclays has been nursing Jessel Properties, formerly Corlett Drive Estates, and the most overexposed of the township groups, through judicial management for over two years. This week Glen Anil, the biggest township developer, passed its annual dividend for the second year running, and controversy surrounds another major developer, Tucker's Land Holdings, which plans to announce R8m. worth of write-offs on bad debts as a result of inability to obtain proclamation on townships sold five or more years ago where the purchasers are paying under deed of sale terms which involve monthly payments for the stands.

Litigants are now alleging that the company's failure to obtain proclamation causes the original deed of sale contracts to be voided. Elsewhere analysts are increasingly suspicious of the deferred profit element of the township companies' P and L accounts, which often appear to represent sleight of hand rather than genuine cash inflow.

Cloud

All on all, therefore, property shares are under a distinct cloud on the Johannesburg stock exchange and have been left behind so far in a generally improving market. The Financial Mail Index of property shares recently hit a new low at 31.8, compared with the index base of 100 in 1970. Without exception, property shares stand at massive discounts to apparent net asset values. Glen Anil shares are 80 cents against net asset value of 450 cents in the last accounts while Amaprop deferred are 30 cents against 73 cents and Sorec 68 cents against 286 cents. If the apparent values are maintained in practice, this suggests that the upside potential could be large, but the good times must still be at least two years away.

U.S. COMPANIES

Weyerhauser admits improper payments

BY STEWART FLEMING

NEW YORK, Sept. 27.

...YERHAUSER, the giant U.S. ...ber group, has admitted ...ing improper foreign pay...nts of $1.2m. over the past ... years.

...he company filed its dis...ure with the Securities and ...hange Commission and said ...t it has stopped the practices. ...n its statement to the SEC ... company said that it had ...de payments of $103,630 to ...l tax officials to "resolve tax ...ies."

...t also disclosed that it had ...de payments of $171,000 in ...s commissions to a customer ...poration which was con...led by the government of ...ther nation.

Other improper payments disclosed by the company included over $500,000 to low level civil servants in three countries to obtain necessary governmental services. *Weyerhauser said* that "in effect the societies involved have the attitude that it is appropriate for the users to routine Government services to provide supplemental income for the individual providing those services."

Even though such payments are recognised by the company as being "common in the particular countries concerned," which were not named, the company said that it had tightened up on controls.

Headquarters approval is now required before an overseas manager can make such payments, and the manager must satisfy senior officials that they are customary in the country concerned.

U.S. accountants urge review

NEW YORK, Sept. 27.

A COMMITTEE of the public accounting profession in the U.S. urged a thorough review of "generally accepted accounting principles" to reduce the financial data that all businesses, regardless of size or ownership, are routinely required to disclose.

The Committee of the American Institute of Certified Public Accountants was established in 1974 to consider *whether small, closely-held com*panies should have to follow the same accounting requirements as the nation's largest publicly held corporations. The inquiry reflected a widespread belief among accountants that small business was being saddled with a proliferation of costly, often irrelevant disclosure requirements, mainly designed to meet the needs of public investors.

AP-DJ

$80m. investment by Montedison

MILAN, Sept. 27.

MONTEDISON SPA said it plans to invest $80m. on a 120,000 tonne polypropylene plant in Houston, Texas, to be operated by its wholly-owned U.S. subsidiary Novamont Corporation.

The plan will use for the first time high yield catalyst technology developed by Montedison in co-operation with Mitsui Petrochemical.

It will employ 200 people and is due to come on stream in 1979. Novamont already has a 90,000 tonne polypropylene plant in Mill, West Virginia, giving it six per cent of the U.S. market, and hopes to raise its share to nine per cent. with the new plant, a Montedison spokesman said. Reuter

Sea Containers split

NEW YORK, Sept. 27.

SEA CONTAINERS INC. and Sea Containers Atlantic have declared a split of the shares of both companies on a basis of one additional share for each share currently issued and outstanding. The additional shares will be payable on November 4, to shareholders of record on October 14. The par values of the additional shares will be the same as those of the present shares and the cash dividend rate will be split on the same basis as the shares.

Machine tools

WASHINGTON, Sept. 27.

U.S. MACHINE tool orders rose 11.2 per cent. in August to $203.8m. from $183.3m. in July, 98.3 per cent. ahead of the August 1975 total of $102.75m., the National Machine Tool Builders' Association said.

Orders for metal-cutting machine tools rose 17.4 per cent. to $148.25m. in August from $126.3m. in July, although there was a 2.5 per cent. decline in metal forming tool orders which fell to $55.5m. from $67m.

Exchange Bank, the Mitsui Gumi, which started operation 1874.

APPOINTMENTS

APPOINTMENTS WANTED

LEGAL NOTICES

No 003003 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of T.F.S TIMBER FRAME SYSTEMS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 10th day of September 1976, presented to the said Court by MAGNET JOINERY LIMITED whose registered office is situate at 34, Farringdon Street, London, EC4P 4DL, Prepared Joinery Manufacturers, and that the said Petition is directed to be heard [illegible]

COMPANY NOTICES

[illegible]

ART GALLERIES

[illegible]

Entertainment Guide

OPERA & BALLET · THEATRES · CINEMA

[illegible]

OLD VIC. 928 7616. 7.30 Sat. 2.30. "A BRILLIANT CAST" S. Times. THE WHITE DEVIL LAST WEEK

OLD VIC. 01-928 7616 Previews from Oct. 6 First Night Oct. 11. LEONARD ROSSITER JOHN STRIDE, DILYS LAYE, JOHN PHILLIPS in PETER BARNES' FRONTIERS OF FARCE by FEYDEAU & WEDEKIND.

PALACE. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat 6.00. 8.40. JESUS CHRIST SUPERSTAR

WARNER WEST END Leicester Square. Tel 439 0791.
1. REDFORD/HOFFMAN ALL THE PRESIDENT'S MEN (AA). Sep perfs. 2.05 5.05 8.05.
2. LET'S DO IT AGAIN (U). Cont. perfs. 1.20. 3.40. 6.00 8.20.
3. STANLEY KUBRICK'S BARRY LYNDON (A) RYAN O'NEAL, MARISA BERENSON, Fully Air-conditioned Sep. progs 2.30 7.30.
4. CLINT EASTWOOD THE OUTLAW JOSEY WALES (AA) Sep perfs. 2.30 5.10. 8.00.

Planning deals may need cash support—Varley

BY CHRISTIAN TYLER

THE GOVERNMENT may have to provide financial inducements to persuade companies to enter into planning agreements because of the lack of response so far, Mr. Eric Varley, Industry Secretary, said in Blackpool yesterday.

The Minister said he was unwilling to see planning agreements made compulsory. Any strengthening of the Government's hand would be considered after talks over the next few weeks with a number of leading private companies.

Mr. Varley was explaining the Government's industrial policy to a Fabian meeting. He faced several critical questions about the slowness with which the idea of planning agreements was being translated into reality.

At a similar meeting at the TUC Congress in Brighton three weeks' ago, Mr. Albert Booth, Employment Secretary, said the idea of making agreements compulsory was under consideration.

One possibility is that Government aid under the various regional schemes could be made conditional on recipients signing agreements with the Government and their unions.

Mr. Varley said that the unions themselves had yet to face up to the challenge of becoming part of the industrial planning process as well as shouldering the responsibilities that would flow from promised legislation—probably in the next session of Parliament—on industrial democracy and worker directors.

Of other industrial questions Mr. Varley again singled out the plight of the British shipbuilding industry in a situation of ever-increasing world capacity as the most serious of the Department's problems.

He also spoke of the need to counter union fears, voiced in the Labour conference economic debate that allowing company profitability to rise would not produce extra investment and jobs. The inquiry into financial institutions announced by Mr. James Callaghan, Prime Minister, last week, might help "kill some of the myths," Mr. Varley said.

Prentice attacks 'discourtesy' over Callaghan exchanges

BY RICHARD EVANS, LOBBY EDITOR

A DEFIANT Mr. Reg Prentice, Minister for Overseas Development, shortened his political life yesterday by attacking Mr. James Callaghan for the way in which the Prime Minister had reprimanded him.

Mr. Prentice was criticised by Mr. Callaghan for inflaming party passions on the eve of the annual conference with an onslaught on the National Executive Committee policy document Labour's Programme, 1976.

But yesterday Mr. Prentice, far from being apologetic, rejected the Premier's criticism and made it clear he would continue his forthright attacks on the party's Left wing.

He said he was surprised at "the discourtesy of someone in the Prime Minister's camp in leaking to the Press a one-sided and misleading version" of a private conversation he had had with Mr. Callaghan on Sunday morning.

In contrast, he had observed the normal courtesy by telling journalists that it had been a private talk. "I am sorry the same courtesy was not observed by the other side," he declared tartly.

It had certainly not been a one-sided conversation as appeared in the Press, and he had spoken to the Prime Minister "as strongly as he spoke to me."

Mr. Prentice insisted he would continue to speak out from time to time on issues of party policy. "I believe every member of the Labour Party has a right to do this. I will not be gagged," he added.

The continued presence of Mr. Prentice in the Cabinet must now be in grave doubt. Mr. Callaghan only retained him when he succeeded to the Premiership at the request of Mr. Roy Jenkins but now he has left the Government the position of Mr. Prentice becomes increasingly vulnerable.

In addition, Mr. Prentice's attitude will not help his forlorn campaign to gain reinstatement as Labour candidate at Newham, North East. He intends to bring the issue before the NEC in private session to-day but his chances of success are extremely remote.

A sensible speech, says Howe

SIR GEOFFREY HOWE, the Shadow Chancellor, last night came out in support of Mr. Reg Prentice's speech at Blackpool on Sunday. Speaking in London, Sir Geoffrey said: "Reg Prentice said some very sensible things. Prime Minister Callaghan denounced him for his pains and to-day the pound has plummeted again.

"What on earth is Mr. Prentice's offence? At a time when sterling is sinking lower and lower every day, Mr. Prentice said nothing that was not entirely obvious to any sensible observer."

Sir Geoffrey said: "Only last week Prime Minister Callaghan rejected nationalisation of banks and insurance because the notion was an electoral albatros. His reasoning was based wholly upon electoral expediency but, at least, its conclusion was clear.

"Six months ago, Mr. Callaghan warned that Britain could not go on living on borrowed money. Once again his conclusion was clear.

"Poor Mr. Prentice can hardly be blamed for believing that he was echoing the message of his master's voice. His only reward is a savage denunciation from the Prime Minister himself. Why the denunciation?

"Has Mr. Prentice offended because he said what the Prime Minister believes but dare not say, or because he repeated what the Prime Minister has said but does not really believe? The nation and the world's observers are entitled to know.

"Mr. Callaghan has introduced the new concept of collective irresponsibility into the management of his cabinet. The deeply divided and deeply worried crew over which he presides begins to make Fred Karno's army look like a model of military discipline. Poor Mr. Prentice can hardly be blamed for losing his way amid the rout."

LABOUR PARTY CONFERENCE

THE BUOYANCY of the social contract carried the Government over the waves of anxiety and anger which ruffled the conference debates on its economic policies yesterday.

Mr. James Callaghan got his feet embarrassingly soaked in the public expenditure cuts — but no one was allowed to rock the lifeboat too violently. Few attempted it, in fact. The reservoir of party loyalty remains remarkably calm.

Mr. Tom Bradley, the party chairman, appealed early in the day for realism and sense. "We have to demonstrate not only that we are fully capable of handling the problems of government, but that we have the will and the purpose to do so," he said.

The major unions responded immediately by demonstrating their determination to support the social contract; and in particular, an orderly return to free wage bargaining.

Mr. Harry Urwin, of the transport workers, Mr. David Bassnett, General and Municipal Workers, Mr. Frank Chapple, of the electricians, Mr. Reg Bottini, of the farm-workers and others, pulled the conference behind the Government.

Responsibility never got us anywhere, one despairing critic cried—but he sank quickly in the wake of such party unity.

And once successfully launched, the Government never looked in real danger, even amid the reefs of unemployment and public spending cuts.

Mr. Anthony Wedgwood Benn, though often on the brink of upsetting the craft, finally did no more than stir a few ripples.

Labour could not go on salvaging capitalism, he declared. But in between a wistful glance at the fading shores of the Attlee Government and the vague horizons of Labour's Programme 1976, he suggested no more than the abolition of the House of Lords and the honours system.

Mr. Bob Marshall-Andrews of Richmond, with a gusty speech, roused some threatening emotions. Why paddle along with the primitive economics of the Treasury while the Socialist machinery rusted, he demanded to an enthusiastic cheer.

But only Mr. Alan Fisher, leader of the public employees union, trawled successfully amid the conference concern, to haul in a resolution against the public spending cuts.

Mr. Hugh Scanlon warned the Government vigorously about the dangers from the tide of unemployment. But he, too, provided Ministers with another lifebelt.

"We have an inherent belief in the general industrial strategy of the Government," he said. Priority had to be given to establishing a flourishing manufacturing industry which alone could finance the social services that were needed.

Mr. Albert Booth, Employment Secretary, followed with a brave speech reminding delegates that the party's political and industrial wings were vital if unemployment was to be reduced.

Mrs. Judith Hart, replying for the NEC, advocated reflation with the zeal of one who believed it would enable the Government to walk on water. But she, too, was largely submerged by the demands of unity.

No rocking this boat

BY PHILIP RAWSTORNE

Price freeze call by Scanlon

BY JUSTIN LONG

A CALL for a six months price freeze, made by Mr. Hugh Scanlon, general secretary of the AUEW, roused from conference a response so enthusiastic it may well have disconcerted Ministers on the platform.

Urging acceptance of a resolution demanding new ways of relieving unemployment, Mr. Scanlon said that the price freeze he contended should be introduced should be unconditional.

The CBI would no doubt condemn it, but he assured Ministers that the British people would stand solidly behind the Government if it took such a measure. His motion which did not contain reference to prices, was accepted by the executive and carried by conference.

It demanded drastic measures to cope with the unemployment problem, including immediate action to tackle the "scandal" of unemployed school leavers by extending assistance for their industrial training.

Mr. Scanlon declared that it was time the Labour movement took a hard look at what was happening and recognised that unemployment was an unacceptable aspect of the system under the present Government. He went further and said that what was being perpetuated to-day was no less an obscenity.

The Government would be judged by the extent to which it could control and eliminate unemployment, bring down prices and improve the standard of living.

He contended that Britain today had the lowest wage costs in Europe, and a wages policy to which the workers were adhering. In spite of this, the country was still in an economic mess.

Mr. Scanlon reserved particular criticism for Mr. Healey, the Chancellor, and his views on import controls.

It was essential to introduce selective import controls, and insufficient to talk merely about television sets and reducing their import from Taiwan—important though that may be for the individuals concerned.

"We want the kind of import controls outlined by the TUC in its document, and it is no service to anybody to deny that." He regretted the Chancellor was not present to hear these criticisms.

On investment, Mr. Scanlon maintained that if we waited until market forces compelled enough money to be put into British industry, it would be necessary to wait for ever. Only Government action could bring about the necessary amount of investment.

No legislation was needed. The National Enterprise Board could do what was required. It should be given £1bn. a year to put into those industries where money was not being provided and subscribed.

Total investment of capital last year amounted to £8.6bn. but 75 per cent. of that capital was invested abroad.

Mr. Albert Booth, Employment Secretary, who spoke from the rostrum as he is not a member of the National Executive, expressed his personal acceptance of the motion raised by Mr. Scanlon. It was to be welcomed, he said, not least because many of the measures spelled out in that motion were already being undertaken by the Government or in operation.

Spending cuts condemned as betrayal

JOHN HUNT

…RONGLY-WORDED motion …the National Union of …c Employees rejecting the …rnment's expenditure cuts …assed by a sizeable majority …st the advice of the National …utive Committee, after a …d debate in which speaker …speaker went to the …im to condemn the cuts as …rayal of Socialist principles. …nically, a similar but …ly milder motion from the …nond Constituency Labour …was overwhelmingly re…d on a show of hands only …v minutes before the dele…inflicted their embarras…reversal on the Government.

…an impassioned appeal to …onference, Mr. Alan Fisher, …al secretary of NUPE, said …unless they backed his …'s resolution, they might …ell pack up and go home …ediately.

…it was not approved, then …he subsequent resolutions …ealth, education, pensions, …benefits and unemployment …d not be worth the paper …were written on.

…warned that cuts in the …l services would only cause …usionment—"and it is dis…onment more than anything …that can destroy the Labour …y at the next general elec…ago."

She said that the policy spelled out in the NEC document embraced a strategy for reflation, the introduction of interventionist industry policies, import controls and the restructuring of industry.

Struggle

She denied allegations in the Press that it was an immoderate, wild Left wing strategy. "It is a Socialist strategy," she declared. "It demands a high element of public ownership in order to meet the public need.

"It demands the use of the National Enterprise Board as originally conceived and that we should make the financial institutions serve the purposes of the people."

The public expenditure cuts were also attacked by Mr. John Kotz of Hackney Labour Party. The debate was, he said, a struggle for the soul of the movement.

The rank and file would not put up with the excuse made time and time again that the economic situation was so bad that the Government had to put capitalism on its feet before it could introduce a fully Socialist programme.

"If people cannot see the difference between us and the Tories, then they will look elsewhere," he said.

"The cuts are not necessary. We should be attacking the capitalist system. If the Government wants to keep the average worker, they should be listening to the rank and file before listening to the City."

Putting the Richmond resolution, Mr. Robert Marshall-Andrews told the conference: "What is wrong with this country is that we are suffering from the inefficiency and lack of moral choice brought about by an unequal and unfair society. These cuts will make that position 20 or 50 times worse and will set back the aspirations of this country and this movement for a generation."

…s resolution was carried on …how of hands despite a …arkably moderate speech by …Judith Hart, a Left-wing …ber of the NEC, in which …called for it to be remitted.

Spiral

…rs. Hart said the Government …done a tremendous amount …ntroducing such programmes …the temporary employment …idy and the job creation …me. This had been achieved …a time of great economic …s both within the country …internationally.

…We all know that we can't …stop the world and get off," …cautioned. "We are doing …e can to get out of the spiral …ecline which began 20 years…

Benn laments failure to gain full-blooded Socialism

BY JOHN HUNT

A CALL for the Labour party to adopt clear cut Socialist policies or else face the possibility of jeopardising its chances at the next General Election was made by Mr. Anthony Wedgwood Benn, Energy Secretary and Left wing chairman of the *party's home policy committee.*

Presenting the document, "Labour's programme, 1976," on behalf of the NEC, he scathingly criticised the failure to embrace full-blooded Socialist programmes in recent years.

Mr. Benn, who received the loudest ovation of the conference during the day, went on to blame the present economic ills and high rate of unemployment on the failure of the British capitalist system.

But it was very noticeable that he made only a mild passing reference to the proposals in the document for the nationalisation of the banks and leading insurance companies and made little attempt to emphasise the importance of this item as a central point of doctrine.

There was, he said, a real debate in progress at every level of the party and the Government at the moment.

"I believe we agree that criticism must not go to the point of endangering the life of the Government. On the other hand, *loyalty must not be used as an* excuse for silencing those who wish to criticise," he said.

Business, the Tory Press, and the media, had set up the working people of Britain as scapegoats for the real failure—the failure of British capitalism.

High unemployment and lack of investment were symptoms of this failure. Another cause was lack of industrial democracy which would give workers on the shop floor a say in how their *companies were run instead of* being treated as fixed assets as they were at the moment.

The NEC document, he explained, re-assessed the party's programme on employment and called for a policy of full employment. "Nothing less will be acceptable."

The proposal for the public ownership of the banks and insurance companies was an echo of the original programme of 1932, when the idea had first been put forward by the party. If unemployment was to be cut Britain had to find ways of moving the nation's savings into industry.

In a significant and loudly applauded passage, he said that the time had come when the movement should draw attention to the problems of decision-making in government, the machinery of government and the way Labour policies were implemented.

This had to be done "so that we shall not see our resolutions quietly buried in the corridors *of power.*"

The movement wanted democratic planning but did not want Government intervention to lead to the corporate state. Labour did not want its programme "lost in bureaucracy or bogged down by Parliamentary obstruction."

Repeating his call for drastic reform of the House of Lords he said: "We are seeking a fundamental democratic change. We want it, we need it, and we want it soon."

Returning to his attack on capitalism, he added: "We are paying a heavy price for the failure of British capitalism and we should certainly fail to carry our movement with us if we were to appear as though we were trying to salvage the system that has so manifestly failed in the past."

The party had paid a heavy political price for the 20 years in which it had played down its criticism of capitalism and "soft peddled our advocacy of Socialism."

He added: "Unless we speak more clearly now, we shall be fighting the next election defensively deep inside our own political territory instead of being on the offensive on behalf of our own people. That is a very important point."

Mr. Benn recalled the General Election of 1945 when the Labour Party had swept all before it and urged the resolute pursuit of socialist policies.

Why had the Labour manifesto *of 1945 led to such a success* at the polls? "It was because we said what we wanted, we meant what we said, we did what we said we would."

At that time, the party had advocated full employment and meant it. It had extended common ownership and must now carry that policy further. It had set up the Welfare State and must now extend it.

He urged delegates to unite around the NEC policy document as a programme for the next election and for the next Labour Government. This follow-through could only be achieved if they said clearly that they accepted the document.

Bradley calls for action to create 1m. new jobs

BY JOHN HUNT

A WARNING that the Government's social contract with the unions will break down unless urgent steps are taken to reduce unemployment was given by Mr. Tom Bradley, Labour party chairman, in the opening keynote speech of the conference.

To applause from delegates, Mr. Bradley called for the creation of a million new jobs and coupled this with a demand that the National Enterprise Board should be given greater powers to conclude planning agreements with leading companies.

Doubtless with an eye on proposals for the nationalisation of the banks and leading insurance companies, he also urged the need for the party to adopt responsible policies and for the rank and file to show unity and loyalty to the party leadership.

"The Prime Minister deserves the maximum support, loyalty and effort from the party to sustain this Government in power," he declared. "Let us point the way forward, unite behind our policies and generate enthusiasm for them throughout the country."

Mr. Bradley, who is president of the Transport Salaried Staffs Association, claimed that Labour was the natural party of government. "As such, it behoves us to prepare a realistic and sensible programme of wide appeal."

The social contract, he argued, had created a unique partnership between the Government and the trade unions which had benefited the whole nation and saved us from hyper-inflation and ruin. It must remain the bedrock of Government policy.

He conceded, however, that the Government had been less than successful in its battle against unemployment.

"I have a duty to remind and warn the Government that a reduction in unemployment is an integral part of the social contract. The unions, who have yielded so much on wages for two years and have followed living standards to fall for the first time since 1945, will become disillusioned if the number of workless people continues much longer at the present unacceptable level."

If full employment were to be re-established, it would mean creating a million new jobs over the next three years, many of them in manufacturing industry. This would require new policies.

The time had come, he said, to tackle the problem of new investment by more direct measures. The National Enterprise Board must be given its head and all the capital it needed. There should be a determined effort to conclude planning agreements with leading companies. If necessary, the Government should acquire extra powers to make this happen.

Emphasising the need for economic expansion, Mr. Bradley stressed that it was also essential to restrain, for the time being, certain areas of public and private consumption if an even higher rate of inflation was to be avoided.

Mr. Tom Bradley urged greater powers for the National Enterprise Board.

Mrs. Barbara Castle and Mr. Anthony Wedgwood Benn pictured at the conference.

Resolutions approved by conference

…INCOMES policy resolution …pted by the National Execu…and carried by the conference …ared that the conference …ed the TUC/Government …y to beat inflation and called …all sections of the Labour …ement to support the Labour …ernment with maximum unity.

…e motion continued: "Con…nce recognises the importance …the future of the Labour …ement of continued co…ation between the industrial …political wings of the move…t in deciding economic and …al objectives and priorities.

…It is encouraged by the over…lming response given by the …le union movement to the …al contract 1976-77 and …gnising the sacrifice and …raint shown by all workers …ing the economic crisis of the …18 months, supports the view …t a planned return to free …ective bargaining should …in to take place in 1977.

…Conference believes that in …er to avoid a wages free-for-all …ch would be injurious to …ker members of the …mmunity and which could …troy or jeopardise our long…n objectives in a return to …e collective bargaining, the …owing matters should receive …ority:

—The recognition and payment …satisfactory differentials to …ard ability, efforts, skill and …ponsibility and the correction …other anomalies and inequities;

…—A continued and developing …phasis on improvements in …ic rates and other special …asures in order to assist …rkers on low pay and imple…nt a TUC minimum wage …licy;

…—Measures to ensure that the …t rate supplements paid under …social contract are incorpor…d on a phased basis into basic …es for the purposes of …culating overtime, payments by …ults, shift payments, etc; and

4—An expansion of sound mutually agreed incentive and payment by result schemes and genuine productivity agreements."

On public expenditure, conference resolved:

This Conference rejects cuts in the social wage and instructs the Labour Government to carry out its *manifesto commitments* to expand and improve the social services. While recognising the urgent need for an expanded industrial base and the Socialist industrial planning measures required to meet that objective, conference rejects the reactionary view that public spending on houses, schools, hospitals and health centres has to be cut back in order to finance higher profits in the public sector.

Conference calls for unity in the trade union and Labour movement in resistance to the cuts, and instructs the Government to pursue Socialist policies which will rapidly reduce the level of unemployment instead of cutting back on the social wage.

Conference rejects the basic implication of the Government's White Paper on public expenditure. It demands an extension of Socialist planning and control of the economy in order to create full employment, make better use of resources and end social inequalities, and is totally opposed to present and proposed cuts in the social and educational services.

Conference supports those Labour councils which have refused to implement the cuts, and calls on other Labour groups to follow suit.

On finance and investment, conference decided:

This conference believes that wages are not the major cause of inflation, that cutting living standards by wage restraint and cutting social expenditure will not substantially reduce the rate of inflation, and calls on the Government urgently to tackle the real causes.

Import controls demand

…NFERENCE carried over…elmingly by a show of hands …resolution from South Fylde …bour Party calling for the in…oduction of temporary selective …port controls.

The resolution, which was …ceptable to the NEC, also called …r ending the role of sterling …a world currency.

It also recommended discouraging speculative investment and *investment overseas* and in property by a stringent penal tax. The idea of this, it said, was to help investment in essential industry.

In addition it demanded the introduction of a severely redistributive Budget to raise revenue by all means including taxation, especially of unearned income.

Foot rules out early referendum

By Ray Perman, Scottish Correspondent

MR. MICHAEL FOOT, Lord President of the Council, last night ruled out the possibility of a referendum on devolution before the Government's forthcoming Bill is debated in the Commons.

The Government is understood to have told anti-devolution Labour MPs that it is willing to consider a referendum after the Bill becomes law. It would ask people in Scotland whether they accepted the proposal for a legislative assembly in Edinburgh, or whether they wanted the independence advocated by the Nationalists.

But the most ardent of those opposed to devolution feel that a referendum should be held before Parliament considers the Bill.

At a pro-devolution meeting in Blackpool, Mr. Foot said in reply to a question: "We are absolutely opposed to any referendum which would be held before the introduction of this Bill.

"We think that it would be perfectly proper if this Bill was placed on the Statute Book without any referendum at all. We believe we have a mandate for doing it."

But he left the door open for a possible referendum introduced as a new clause in the devolution Bill by saying: "Of course, we are prepared to listen to what people say."

Mr. John Smith, junior Minister responsible for devolution, went further than Mr. Foot by saying that a referendum before the Bill became law would need special legislation and could delay the Government's proposals for the whole of a Parliamentary session. People in Scotland would not stand for that.

Unity appeal sinks contract critics

RALLYING CRIES from prominent trade union leaders calling for Labour Party unity enabled the National Executive to ward off Left wing resolutions hostile to the incomes policy and the social contract.

The social contract was the absolute bedrock for all the party's hopes for the future, maintained Mr. Brian Stanley speaking for the executive at the close of a sometimes querulous debate.

He urged patience on those who had made plain that what they wanted was some positive *action by the Government now* for an advance to redblooded Socialism.

Mr. James Callaghan, Prime Minister, flanked by other Ministers on the platform must have felt that the going was easier than some might have expected as the hostile resolutions were shown to have somewhat meagre support.

The resolution backing the incomes policy, along with an orderly return to collective bargaining, was carried by an ample majority. But the resolution calling for more than 50 per cent. worker representation on company Boards and more workers at management level was remitted to the executive for further consideration.

The Left-wingers lost a resolution condemning the way in which the nationalised industries are run and demanding that they be put under workers' control.

Mr. Stanley, in the final speech from the platform on these issues, pressed delegates not to discount the Government's achievements during the past three years. Only the triple alliance between the trade unions, the Government and the party had enabled the country to tackle these difficulties.

He contrasted the present situation with its prospects of eventual economic success, with the position three years ago when the then Mr. Anthony Barber had been Chancellor.

Mr. Stanley contrasted the position of confrontation and the three-day week which had preceded the last election with the improved state of labour relations brought about by the Labour Government.

Other benefits for the workers had flowed from the triple alliance and co-operation which had not received sufficient publicity or recognition.

The debate on incomes policy was opened by Mr. Harry Urwin, of the Transport and General *Workers Union, who put for*ward the motion, which had the approval of the executive, calling on support of the Government with maximum unity.

He pointed out, however, that preparations must now be made for the adoption of a more flexible approach to follow the present incomes limits.

Mr. Ron Fisher, of the Shop Distributive and Allied Workers, seconding the motion, also stressed the need for a planned return to collective bargaining. The responsibility would call for a return to sound mutually agreed incentive and payment-by-results schemes and genuine productivity agreements, he argued.

Mr. Fisher urged the defeat of composite resolutions criticising the Government pay policy and the limits on pay rises.

Some of these criticisms were expressed by Mr. Ted Morney, delegate for Walton. Supporting a resolution which contended that the social contract had failed, he said that if the Government continued to implement Conservative-type policies, it would lose the next election.

"We are reaching a situation where the British worker will be the coolie of Europe," he maintained. Living standards in southern Ireland would soon be higher than in this country—and all because of the social contract.

A healer of party rifts

BY RICHARD EVANS, LOBBY EDITOR

THE CHAIRMAN of the Labour Party, at the centre of events at this week's conference, is chosen by the hallowed Labour method of Buggin's turn, based on the length of uninterrupted service on the National Executive Committee. This year, to the intense relief of the Prime Minister, it has been the turn of Mr. Tom Bradley.

For it was Mr. Bradley, president of the Transport Salaried Staffs Association, the rail clerks' union and MP for Leicester North-East, who decided by casting vote at the pre-conference NEC to reject the Left-wing resolution attacking the Government's economic policy in general, and the proposed public expenditure cuts, in particular.

Had the decision gone the other way, there would have been a serious and potentially humiliating confrontation between the Government and the party rank and file. But once Mr. Calaghan had engineered a tie by bagging the reluctant votes of Cabinet colleagues, Michael Foot and Anthony Wedgwood Benn, there was little doubt which way Mr. Bradley would use his casting vote.

His decision makes it probable that the Government will have a relatively smooth passage at Blackpool despite the grumbling of the Left.

Although Tom Bradley sees himself as a middle-of-the-road unifying figure, the Left has no doubt that he belongs to the Right of the party, where he has been closely identified with Mr. Roy Jenkins, his political mentor for many years. Nevertheless, his Left-wing adversaries, respect his quiet efficiency and coolness and his lack of political vindictiveness.

His basic political attitudes were spelt out in his presidential address at the opening of the conference yesterday when he underlined the need for responsibility and the preparation of "a realistic and sensible programme of wide appeal." But he also showed his independence by warning the Government that the trade unions would become disillusioned rapidly unless the level of unemployment drops.

Impression

For someone who has reached a relatively high level in the Labour movement, Tom Bradley is remarkably little known to the outside world although his leadership of a white collar union and his position as an active MP make him a figure of some influence.

His background is steeped in Labour and trade union politics — his grandfather was a founder of the Labour Party in the Midlands. He joined his local Labour Party at Kettering at 15, and started work as a rail clerk the following year. Towards the end of the war, he did a stint as a Bevin boy — at that time one in ten of those called up were assigned to the mines. Bradley admits to hating it.

After becoming secretary of Kettering Labour Party, he fought a series of hopeless Parliamentary seats before entering the Commons in a by-election at Leicester North East in 1962. As a co-founder of the Campaign for Democratic Socialism, set up in 1961 to fight for Gaitskellite policies against Left wing proposals for more nationalisation, Mr. Bradley was immediately identified as a Right winger, an impression confirmed when he became parliamentary private secretary to Mr. Roy Jenkins in 1964.

He was later offered a Government job at Minister of State level by Harold Wilson, but decided his union role gave him a more effective power base in the Labour movement.

It was his steady progress in trade union affairs that was more important to his future than his pedestrian political record. At 20, he became a branch officer of TSSA, joined the executive in 1958 and became treasurer three years later serving under Ray Gunter, his other political mentor. When Gunter became Minister of Labour in 1964, Tom Bradley succeeded him as TSSA president and, in 1966, inherited his seat on the NEC, the Labour Party's policy forming body.

It was in 1969 that he first came to wide notice with a brilliant conference speech from the platform which sought to unify a Labour party badly split on economic policy. His speech yesterday showed he still sees this as his main task.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Steady start helps Dow to 3.8 gain

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 27.

THE MARKET'S ability to fend off more downward pressure during the morning, following Friday's decline, helped stocks register a narrow advance in moderate trading on Wall Street to-day.

The Dow Jones Industrial Average, which had shown a marginal fall during the morning,

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Westinghouse Elec.	248,900	19¼	−¼
Utd. Technologies	222,400	35½	+½
Polaroid	206,200	45½	+1½
Texas Intl.	192,400	8¼	+¼
General Motors	172,200	73½	+1½
Atlantic Richfield	168,700	56¾	+¾
Ford	168,600	60⅝	+1
Citicorp	164,900	32¼	−¼
Tex. Util.	154,900	20¼	—

moved ahead 4.65 after lunch before closing 3.82 up at 1,013.13.

The NYSE All Common index finished 24 cents ahead at 57.26.

Advances led declines 804 to 580 in a volume up by only 20,000 shares on Friday's level at 17.42m.

Hamilton Brothers Petroleum was quoted $21½, bid, in the over-the-counter market—up from $17½, bid, on Friday. Sabine Royalty, which did not trade, said it reached an understanding with Hamilton on a tax-free merger and that Hamilton will withdraw its tender for Sabine shares.

Burroughs added $1 to $96—it has expanded its range of optical character encoding machines by introducing a new document management system.

Menasco Manufacturing lost $1½ to $14¾. It forecast lower earnings for the first quarter to September 30 and flat earnings for the full fiscal year.

National Mine Service added $1½ to $16¾. Chessie System—down $¼ to $36¾—said it agreed to acquire 21.62 per cent. of National Mine's Common from an Irish company.

Sea Containers lost $1¾ to $42—it said directors voted to split its stock two-for-one.

Schlumberger rose $2 to $102¼, Mary Kay Cosmetics $1¼ to $19¼, Standard Oil of Ohio $1¼ to $73¼, IBM $3 to $286¾ and Fairchild Camera and Instrument $1¼ to $54¾.

Philip A. Hunt Chemical lost $1 to $13¾. St. Joe Minerals $1¾ to $40¾, Citicorp $¾ to $32¼ and Stauffer Chemical $¾ to $46½.

Prices on the American SE closed slightly higher. The index rose 0.01 to 103.69 and advances led declines 289 to 287. Turnover totalled 1.98m. shares (1.68m.).

Cook Industries fell $6 to $16¾ on sharply lower earnings.

Data Documents climbed $12¾ to $43¾. It said Dictaphone—up $¾ to $9¾ on the NYSE—will tender for all of Data's shares at $45 each.

OTHER MARKETS

Canada stocks ease

Prices closed generally lower on Canadian stock markets yesterday. Trading was light.

Western Oils eased 0.93 to 211.56, Base Metals 0.76 to 86.89, Papers 0.70 to 123.78, Industrials 0.13 to 187.62 and Utilities 0.09 to 148.74, but Banks put on 0.35 to 251.15 and Golds 1.31 to 244.74.

Among the largest declines, Northern Telecom fell $C1¼ to $C35, Fields Stores $C¾ to $S8¼ and Cominco $C¾ to $C38½.

Topping Industrial activities, Western Broadcasting "B" was unchanged at $C10½ on a single block of 35,400 shares.

PARIS—Prices retreated over a wide front in quiet trading, suggesting a certain lack of confidence among investors over Premier Raymond Barre's anti-inflation plan.

Declines predominated in all sectors, although there was some resistance in Stores and Metals.

Biggest losers of the day were UCB, Carrefour, Peugeot, Kleber, Borel, Presses de la Cite, DBA, Marine-Wendel, Primagaz, Roussel-Uclaf and Poclain, which surrendered Frs.11.90 to 175.

Among the few gainers were Pechelbronn, CFF, Poliet, CFAO, Legrand, Chiers and BP, which put on Frs.4.40 to 75.10.

BRUSSELS—Easier in calm trading, with most domestic and foreign issues continuing Friday's downward trend.

Power Utilities Asturienne, Hoboken, Wagons-Lits, Gevaert and UCB fell. Sidro and Tobacofina rose. Petrofina rose B.Frs.15 to 4,615.

AMSTERDAM—Shares again fell generally, with Royal Dutch—up 20 cents as Fls.123.80 xd—a sole, small gain in Dutch Internationals.

Giessen, VMF, Menceba, OCE and major Banks led the decline elsewhere, but RAL, KLM and Ahold made gains against the trend.

SWITZERLAND — Financials mainly edged lower, led by Juvena Bearer. Gains and losses were about equal in Insurances.

Leading Industrials were also mixed with Sandoz rising Sw.Frs.15 to 5,290, while Ciba-Geigy eased Sw.Frs.10 to 1,360 in Chemicals. Banks were higher.

MILAN—Easier in quiet trading. In leading Industrials Fiat, Montedison, both Pirelli and Olivetti, and Snia Viscosa all lost ground.

Mediobanca lost L210 to L72,390 in Banks and Generali L170 to L40,300 in Insurances.

GERMANY—Prices closed a little lower, the Commerzbank index easing 1.4 to 748.2.

Motors and Electricals were particularly hard hit: BMW lost DM2 to DM220.50 and Daimler DM1.50 to DM342.50. Even VW, which has resisted recent downtrends, gave up 30 pfennigs to DM140.70.

Elsewhere Siemens was down DM1.50 to DM279.50 and AEG DM1.30 to DM89.80, while in weaker Banks losses averaged about DM1 among the majors.

In steady Chemicals Hoechst moved up 50 pfennigs to DM143.50 and Bayer 40 pfennigs to DM132.50.

OSLO — Insurances and Shippings quiet, Banks mixed, Industrials slightly easier.

VIENNA—Quietly steady. Steyr-Daimler-Puch rose 5s to 158 but Union Baugesellschaft edged lower.

COPENHAGEN—Mixed in quiet dealings.

HONG KONG—Lower in dull trading. Turnover was very low as buyers held back in the absence of incentives.

Hong Kong Bank fell 10 cents to $HK19.20 and Jardine Matheson 10 cents to $19.00, but Hutchison, Swire Pacific and Wheelock Marden recouped early losses to close steady at $HK3.35, $HK10.10, and $HK2.40 respectively.

AUSTRALIA—Leading Mines and Industrials fell under sustained selling pressure.

BHP fell to $A7.26 before recovering to close at $A7.36 for a loss of 14 cents, while its Rights lost 8 cents to $A3.42 after touching $A3.25.

CSR also closed off the bottom 5 cents down at $A4.35, while Myers dropped 3 cents to $A2.32 and Aust. Guarantee 5 cents to $A1.75.

Among Mines, Pancontinental lost 30 cents to $A11.40, Queensland 10 cents to $A2.30, Bougainville 8 cents to $A1.25 and Peko-Wallsend 10 cents to $A5.50.

TOKYO—Slightly lower in light trading with investors waiting in the absence of fresh factors. Volume was 100m. shares (150m.).

Many stocks went ex-rights and ex-dividend, but losses were offset following the ruling Liberal-Democratic Party's victories in two Upper House by-elections. The buying, however, was not sustained.

Pioneer, Sony and some other Electricals lost ground, although Nippon Electric was firm and Matsushita Electric Industrial, Honda and some other leading issues moved higher.

JOHANNESBURG — Golds tended easier on generally lower overseas bullion indications and month-end technical factors.

Financial Minings were slightly easier. De Beers Deferred moved off the bottom to R3.58 for a 15 cent loss after going ex-dividend and easing to R3.55 earlier.

Coppers eased, but Platinums were marginally firmer with Lydenburg 3 cents up at R1.45

Industrials were slightly more active with Rhodesian stocks tending easier.

Sterling falls

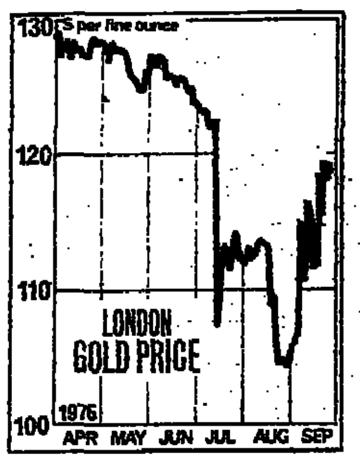
Sterling continued to fall in yesterday's foreign exchange market, closing at $1.6805-1.6815 against the U.S. dollar. This represents a fall of 2.5c from Friday and 9.4c this month, and is the worst closing level ever recorded in terms of the dollar. At one stage the rate fell to $1.6800 before recovering slightly.

There appeared no really fresh issues to send the pound plunging other than nervousness over a variety of unpleasant subjects ranging from the outcome of the Labour Party conference, to rumbling noises from the coal miners over the possibility of fringe benefits.

In addition, movements were somewhat exaggerated by the very thin trading conditions. Despite sterling's cheapness, nobody seemed willing to buy, and as a result, any selling tended to move the rate considerably. Some felt that the pound might steady around the $1.65 level, but with the $2.00, $1.80 and $1.70 psychological barriers all broken and the Bank of England currently giving no support, there was concern as to how the brakes could be applied. The trade weighted average depreciation of the pound, as calculated by the Bank of England, widened to a record closing gap of 43.6 per cent. from 42.7 per cent. on Friday. The depreciation at noon stood at a worst ever 43.7 per cent. and 43.4 per cent. in the morning.

The U.S. dollar lost ground as well, although later its average depreciation on a Morgan Guaranty basis using noon rates in New York, improved to 2.80 per cent. against 2.82 per cent. previously.

Gold lost $¾ an ounce in quiet trading to close at $118-119. The Krugerrand finished at $121½-123½ (£72-73) for domestic delivery.



GOLD MARKET

	Sept. 27	Sept. 24
Gold Bullion (a fine ounce)		
Close	$118-119	$118¼-1[illegible]
Opening	$118¾-119¼	$118¼-1[illegible]
Morning fixing	$118.75 (£70.845)	$118.45 (£69.314)
Afternoon fixing	$118.90 (£70.522)	$119.15 (£69.842)
Gold Coins (domestically)		
Krugerrand	$121½-123½ (£72-73)	$121-123 (£71-72)
New Sov'r'gns	$42-44 (£25½-26½)	$43-44 (£24½-25)
Old Sov'r'gns	$38-40 (£23-24)	$39½-41½ (£23¼-24)
Gold Coins (Internat'nally)		
Krugerrand	$121½-125½ (£72-75)	$122-124 (£71½-72)
New Sov'r'gns	$41½-43½ (£24½-25½)	$42-44 (£24½-25)
Old Sov'r'gns	$36-38 (£21½-22½)	$37-39 (£21½-22)
$20 Eagles	$187-190	$187-190
$10 Eagles	$98-101	$98-101
$5 Eagles	$64-67	$65-69

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Sept. 27	Sept. 24
Sterling	0.685899	0.675799
U.S. dollar	1.15478	1.16440
Belgian franc	43.9856	44.0808
Deutschemark	2.85081	2.85795
French franc	5.66651	5.66594
Italian lira	981.419	978.614
Japanese yen	332.403	332.583
Dutch guilder	2.97529	2.98528
Swedish krone	4.98311	5.00202
Swiss franc	2.84894	2.85541

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

FOREIGN EXCHANGES

Sept. 27 1976	Bank Rates %	Market Rates Day's Spread	Close
New York	5¼	1.6800-1.7005	1.6805-1.[illegible]
Montreal	9¼	1.6540-1.6500	1.6545-1.[illegible]
Amsterdam	7	4.52½-4.58½	4.55-4.[illegible]
Brussels	9	63.80-64.80	63.85-64
Copenhagen	8½	9.97½-10.08	9.97½-9.9[illegible]
Frankfurt	3½	4.14-4.19	4.14½-4.[illegible]
Lisbon	6½	52.25-53.00	52.25-52
Madrid	7	113.00-116.00	115.00-11[illegible]
Milan	12	1,427-1,444	1,427-1,4[illegible]
Oslo	6	9.02-9.15	9.02¼-9.[illegible]
Paris	10½	8.25-8.31	8.24½-8.[illegible]
Stockholm	6	7.24-7.32	7.24½-7.[illegible]
Tokyo	6½	482-492	482½-48[illegible]
Vienna	6	29.30-29.80	29.50-29
Zurich	2	4.14-4.19	4.14½-4.1[illegible]

* Basic discount. † Rates given for convertible franc: financial fr. 64.70-64.90.

OTHER MARKETS

			Note Rates
♦Argentina	£35.98-£36.18	Argentina	490-56[illegible]
Australia	1.5502-1.6884	Austria	28-30[illegible]
Brazil	18.98-19.18	Belgium	65½-6[illegible]
Finland	6.52-6.54	Brazil	20-2[illegible]
Greece	62.097-63.668	Canada	1.65½-[illegible]
Hong Kong	8.2[illegible]-8.2[illegible]	Denmark	9.50-10[illegible]
Iran	118-120	France	8.20-[illegible]
Kuwait	0.486-0.498	Germany	4.10-4.[illegible]
Luxemb'g	63.88-64.05	Greece	60-6[illegible]
Malaysia	4.2645-4.2730	Italy	1400-1[illegible]
N. Zealand	1.7855-1.7197	Japan	480-4[illegible]
Saudi Arab.	0.590-0.600	Netherl'ds	4.25-4.[illegible]
Singapore	4.164-4.1835	Norway	9.00-9.[illegible]
S. Africa	1.4594-1.4798	Portugal	51½-5[illegible]
U.S. —		Spain	111-11[illegible]
Canada		Switz'land	4.10-4.[illegible]
C$1—		U.S.	1.68-1.[illegible]
U.S. cents	102.79-102.82	Yugoslav'a	31½-[illegible]

* Basic discount. † Given rates are dealers. ♦ Rate given is Official R. BCRA rate 420.30-420.50.

FORWARD RATES

	One month	Three months
New York	1.40-1.30 c. pm	4.00-3.80 c. pm
Montreal	0.85-0.75 c. pm	2.25-2.15 c. pm
Amst'dam	1 c. pm-par	2¼-1¼ c. pm
Brussels	10-30 c. dis	25-45 c. dis
Cop'nhg'n	7½-9½ ore dis	16-18 ore dis
Frankfurt	4-3 pf. pm	10⅞-9⅞ pf. pm
Lisbon	17 c. pm-40c. dis	47-147 c. dis
Madrid	135-230 c. dis	435-585 c. dis
Milan	14-19 lire dis	46-54 lire dis
Oslo	1¼-3¼ ore dis	par-2 ore dis
Paris	3½-2½ c. pm	8-7 c. pm
Stockh'lm	2½-4½ ore dis	[illegible] ore pm-1[illegible]
Vienna	25-15 gro pm	74-64 gro pm
Zurich	5-4 c. pm	14-13 c. pm

Six-month forward U.S. dollar 7.70-[illegible] prem. and 12-month 13.60-13.50 prem.

EXCHANGE CROSS-RATES

Sept. 27	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Fr'nkfu't	—	2.469-470	50.33-38	6.481-487	4.160-165	95.77-81	100.06-11
N. York	40.55-57	—	20.38-40	2.650-655	1.6700-6710	38.80-82	40.53-55
Paris	198.7-199.1	4.902-912	—	12.87½-90½	8.289-295	190.30-70	198.7-199.1
Brussels	15.40-45	38.05-10	7.75-77	—	64.17-55	14.76-80	15.40-44
London	4.145-165	1.6805-15	8.245-255	63.85-64.05	—	4.35-4.34	4.145-155
Am'yd'm	104.3½-3½	2.515½-1½	52.44-49	6.7665-715	4.3435-645	—	104.385-435
Zurich	99.97-100.06	2.468-98	50.26-31	[illegible]	4.1605-45	95.71-80	—

U.S. $ in Montreal U.S. $=97.06-10 Canadian cents.
Canadian $ in New York C $=102.94-96 U.S. cents, U.S. $ in Milan 848.60-90.
Sterling in Milan 1,434.10-40.

EURO-CURRENCY INTEREST RATES*

Sept. 27 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	14-14¼	5⅛-5⅜	8¼-8¼	12½-13	4⅜-4½	par-¼
7 days notice	14⅝-14⅞	5¼-5½	8¾-9¼	12½-13	4½-4⅝	1⅛-1⅞
Month	15-15½	5½-5⅝	8⅞-9⅜	13½-13⅞	4⅜-4½	1⅛-1⅝
Three months	15⅛-15⅝	5½-5¾	9¼-9½	12⅞-13¼	4½-4⅝	1⅝-1⅞
Six months	15½-16	5⅞-6⅛	9⅜-9⅝	11¼-11½	5-5¼	2¼-2⅜
One year	16¼-16¾	6⅜-6⅝	9⅜-9⅝	9½-9⅞	5½-5⅝	2⅛-2⅜

Euro-French deposit rates: two-day 9¾-10¾ per cent.: seven-day 9¾-10¾ per cent.: one-month 10¾-10¾ per cent.: three-month 11¼-11¾ per cent.: six-month 11¾-11¾ per cent., one year 11¾-11¾ per cent.

Longer-term Eurodollar deposits: two years 7½-7¾ per cent.: three years 7¾-8 per cent.; four years 8¼-8⅜ per cent.; five years 8¼-8⅜ per cent.

The following nominal rates were quoted for London dollar certificates on deposits: one month 5⁵⁄₁₆-5⁷⁄₁₆ per cent.: three-month 5⁷⁄₁₆-5⁹⁄₁₆ per cent.: six-month 5¾-5⅞ per cent.; one year 6³⁄₁₆-6⁵⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs.

** Rates unavailable due to market fluctuations.

Indices

NEW YORK—DOW JONES

	Sept. 27	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	1013.13	1009.31	1010.80	1014.05	1014.79	994.51	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds*	89.60	89.44	89.86	89.85	89.85	89.56	89.86 (23/9)	85.88 (13/7)	—	—
Transport	221.46	221.34	221.34	222.60	222.75	219.34	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	98.26	97.81	98.16	98.61	98.02	97.81	99.02 (21/9)	84.8 (26/5)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	17,450	17,400	24,210	32,970	30,50	21,750	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Sept. 24	Sept. 17	Sept. 10	Year ago (approx.)
	3.80	3.85	3.87	4.67

STANDARDS AND POORS

	Sept. 27	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
* Industrials	120.39	119.81	119.93	120.50	120.89	118.19	120.89 (21/9)	101.64 (2/1)	154.64 (11/1/73)	3.52 (30/6/32)
†Composite	107.26	106.80	106.92	107.46	107.88	106.32	107.88 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Sept. 22	Sept. 15	Sept. 8	Year ago (approx)
Ind. div. yield %	3.40	3.49	3.46	3.96
Ind. P/E Ratio	12.21	11.82	11.90	11.32
Long Govt. Bond yield	5.18	5.22	5.25	6.10

N.Y.S.E. ALL COMMON

Sept. 27	Sept. 24	Sept. 23	Sept. 22	1976 High	1976 Low
57.26	57.02	57.08	57.65	57.51 (21/9/76)	57.06 (2/1/76)

Rises and Falls	Sept. 27
Issues Traded—1,864	Up—804
Down—580	Same—480
New Highs 83	New Lows 8

MONTREAL	Sept. 27	Sept. 24	Sept. 23	Sept. 22	1976 High	1976 Low
Industrial	188.61	188.93	190.12	191.21	207.55 (13/5)	176.62 (2/1)
Combined	187.62	187.82	189.09	190.16	199.78 (20/5)	173.67 (2/1)
TORONTO Industrial	187.82	187.75	188.66	189.22	197.45 (20/2)	178.01 (2/1)
JOHANNESBURG Gold	150.8	156.5	159.1	169.5	228.7 (12/5)	115.5 (25/8)
Industrials	191.1	191.6	190.4	189.9	216.0 (21/5)	177.1 (30/8)

	Sept. 27	Previous	1976 High	1976 Low
Australia (a)	467.69	472.00	522.65 (19/8)	445.32 (5/1)
Belgium (b)	94.49	94.70	115.18 (5/2)	82.54 (16/9)
Denmark (d)	107.74	107.60	117.70 (19/8)	100.20 (10/5)
France (e)	60.3	60.6	74.3 (3/3)	60.3 (27/9)
Germany (f)	748.2	749.6	821.7 (17/3)	727.6 (9/8)
Holland (g)	82.1	83.6	105.5 (6/2)	82.1 (27/9)
Hongkong (h)	416.04	416.83	465.33 (17/3)	354.55 (2/1)
Italy (k)	77.30	77.70	91.37 (25/2)	72.20 (4/5)
Japan§ (m)	363.11	353.20	369.61 (1/9)	352.90 (14/9)
Singapore (n)	(u)	273.50	286.16 (3/2)	236.35 (2/1)
Spain (p)	—	82.06	100.79 (7/5)	79.42 (9/9)
Sweden (q)	410.89	414.27	476.96 (10/6)	393.56 (19/1)
Switz'rl'd (r)	275.1	276.2	298.8 (12/5)	269.7 (15/9)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—132% (125%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ♦

Sept. 27	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	89.8	−1.3	—	—
Allianz Versich.	396xr	−4	18s	2.2
B.M.W.	220.5	−2	18	4.1
B.A.S.F.	159	−0.2	14	4.4
Bayer	132.5	−0.4	14	5.3
Bayer Hypo	289	......	20	3.4
Bayer Vereinsbk.	302	−0.5	20	2.8
Commerzbank	180.5	−0.5	18	5.0
Cont'l Gummi	81.6	−4.9	—	—
[illegible]				

MILAN

Sept. 27	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	650	......		
ANIC	504	−3	—	—
Ausonia Fin.	3,250	−24	120	4.0
Bastogi	1,025.5	−16.5	—	
Breda	2,290	−11	165	6.5
Burgo	9,250	......	—	—
Cantoni	6,105	+57	—	—
CIGA	1,732	−8	—	—
[illegible]				

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND*

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

Sept. 27	Aust. $	+ or —
ACMIL	†0.79	−0.01
Acrow Australia	†0.65	−0.05
Adelaide Brighton Cement 50c	†1.18	−0.02
Allied Mntg-Trdg. Indus. $1	†1.62	−0.02
Ampol Exploration	†1.00	−0.28
Ampol Petroleum	†0.65	......
Assoc. Minerals	†6.25	......
Assoc. Pulp Paper $1	†0.95	−0.05
[illegible]		

TOKYO ¶

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

JOHANNESBURG

MINES

Anglo American Corpn.	5.90	−[illegible]
Charter Consolidated	†3.10	+[illegible]
East Driefontein	8.75	−[illegible]
Elsburg	1.40	−[illegible]
Harmony	4.80	−[illegible]
Kinross	xd[illegible]	−[illegible]
Kloof	†5.15	−[illegible]
Rustenburg Platinum	unq.	
Southvaal	15.00	−[illegible]
[illegible]		

INDUSTRIALS

[illegible]

SPAIN ♥

[illegible]

NOTES: [illegible]

...g disease ...appears ... Britain

...ur Commodities Staff

...E VESICULAR disease has ...confirmed in Britain less ... three weeks after the ...ment declared that the ...y was free of it.

... new outbreak, the first ...re than a year, was con... yesterday on a farm at ..., near Ripon, in North ...ire.

... than 200,000 pigs were ...lered in 383 outbreaks of ...t a cost of nearly £8m. to ...chequer in compensation ...penses between December, ... when the disease first ...ed and September last

...rought aid ...lay worries ...K. farmers

...ur Commodities Staff

...ERS ARE impatient at ...parent lack of urgency by ...overnment in tackling the ...ost pressing issues facing ...dustry—the drought and ...Green pound"—Sir Henry ..., president of the National ...rs' Union, said yesterday.

... U.K. and Eire were the ...EEC countries which had ...aken national action to ...te the effects of the ...ht on farming, he told far... at Bakewell, Derbyshire. ...e have been hit quite as ... as the rest of Europe."

...azil coffee ...op estimate ...allenged

...Sue Branford

SAO PAULO, Sept. 27.

...EE FARMERS here are ...cal of the 1976-77 harvest ...ate of 6.4m. bags released ...Brazilian Coffee Institute ... last Thursday. They say ...stimate is based on informa... collected before the harvest, ... has just drawn to a close. ... then, rain and hail have ...ed the crop, particularly in ...aulo.

...nbers of coffee cooperatives ...put Sao Paulo's crop at 1.5m. ... well under the IBC estimate ...1m. They put the total ...lian production at only ... bags.

...r commodities staff writes: ...e London terminal market ... while prices rose sharply ...ly reflecting the weakness of ... pound. By the close ...mber coffee was quoted ... higher at a record level of ...7.5 a tonne. But traders ...rted very little physical ...ness either in the U.K. or on ...Continent.

Spending on food reaches record in second quarter

BY PETER BULLEN

SPENDING ON food bought for eating at home rose to a record £4.33 a person a week in the second quarter of this year, a Ministry of Agriculture national food survey showed yesterday.

The £4.33 average was 58p or 15.5 per cent. up on the comparable period of 1975. It is also double the amount being spent in the first quarter of 1971.

Compared with the previous three months this year the expenditure figure was up 19p a head or 4.6 per cent. The increase in expenditure was slightly greater than the rise in food prices indicating an improvement in the real value of food purchases of just under 1p a head.

"This increase in real value was due to a shift in dietary pattern, decreased consumption of carcases meat and potatoes being more than offset by increased consumption of other vegetables, fruit, poultry, processed meats, canned fish, bread, cakes and biscuits," said the survey report.

"Some, but not all, of these changes may have been due to the exceptionally hot weather, particularly towards the end of the period."

Carcass meat, as could be expected, bore the main brunt of the fall in purchases caused by the warm weather. The total of 13.24 ounces a person a week was the lowest for three years. Poultry consumption at 6.63 ounces a head was 18 per cent. higher than the same quarter in 1975. Bacon showed a continuing improvement in demand.

The potato shortage caused consumption to fall to a record level of 28.1 ounces a head a week. Prices averaged 13.2p a pound and were almost as high as that for new potatoes (14.6p). A year earlier the consumption figure was almost 42 ounces a head. The price was 3.2p a pound.

The shortage gave a fillip to instant potato sales (up from 0.08 ounces to 0.26 ounces a head) and to purchases of rice and pasta products.

Before the worst effects of the drought which were felt later in summer supplies of fresh fruit and vegetables from both commercial sources and gardens and allotments were greater than in 1975 and consumption rose significantly.

In the dairy sector cheese consumption rose to a record 3.97 ounces a person, but an 11 per cent. rise in butter prices brought consumption down to 5.03 ounces a head, the lowest level for nearly four years.

"There was a less than proportionate increase in consumption of margarine to 3 ounces, the increase being entirely in purchases of soft margarine," the report said.

Milk consumption slipped by a fifth of a pint to 4.63 pints a head a week.

With the sharp rise in coffee prices coinciding with a period when the average price of tea continued to decrease in real terms, consumption of tea continued to rise at the expense of coffee.

Caribbean sugar protest to U.S.

BY OUR OWN CORRESPONDENT

GEORGETOWN, Sept. 27.

COMMONWEALTH CARIBBEAN sugar exporters will make joint diplomatic representations with their Latin-American counterparts to the U.S. Government over the tripling of the duty on sugar imports.

This step will be taken through the group of Latin American and Caribbean sugar exporting countries (Glasec), Mr. Percival Patterson, Jamaica's Foreign Trade Minister, said here just after he chaired a two-day meeting of the Caricom council.

Mr. Patterson said the council viewed the U.S. action with disappointment and as running counter to the efforts to establish a new international economic order. There was concern that the action would lead to greater use of artificial sweeteners in the U.S.

Caribbean exporters feared President Ford might suspend the Generalised System of Preferences provision on sugar imports.

In that case, all Caricom sugar exporters would be affected. At the moment only Guyana and Jamaica stood to lose since their annual average sugar sales exceeded the $US25m. GSP ceiling. Their exports of sugar to the U.S. had been placed at "an immediate competitive disadvantage."

The other Caribbean producers, Trinidad and Tobago, Barbados, St. Kitts/Nevis and Belize, are not affected since they have not been exceeding the $U.S.25m. annual "ceiling" and so qualify for duty-free treatment under the Generalised System of Preference.

Last year Guyana sold 90,000 tons of sugar to the U.S. market. Jamaica's exports to the U.S. last year were 57,000 tons. Guyana is still meeting its EEC commitments and so has not yet sold to the U.S. market for 1976.

European beet estimate

BY OUR COMMODITIES STAFF

SUGAR STATISTICIAN F. O. Licht yesterday raised his estimate of European beet production this year to 28,184,000 tonnes, against 25.9m. tonnes last year and his first estimate of 27,585,000 tonnes.

The biggest increase forecast is in the Soviet Union, where the crop is put at 9.4m. tonnes compared with 7.7m. tonnes last year. U.K. output is put as high as 790,000 tonnes, against 697,000 tonnes, and the recent British Sugar Corporation prediction of an outturn between 700-800,000 tonnes.

Total EEC output is forecast to fall to 9,921,000 tonnes compared with 10,154,000 tonnes in 1975.

On the world sugar market yesterday, the London daily price for raw sugar was raised by £4 to £115 a ton in the morning but values on the futures market fell back in later trading.

Malaysia to lift rubber output

KUALA LUMPUR, Sept. 27.

Malaysia will spend $M180m. (over £41m.) in the next five years on modernising rubber smallholdings to meet an expected increase in world demand for natural rubber, Tan Sri Dr. B. C. Sekhar, chairman of the Malaysian Rubber Research and Development Board, said.

The world will need between 5m. to 6m. tons of natural rubber a year by 1980, with a big demand for the Malaysian product, he said.

New surge on cocoa market

By Richard Mooney

COCOA PRICES soared to record levels on the London terminal market with the December position closing £85 higher at £1,619 a tonne. In the absence of any significant fundamental news dealers saw the rise as confirmation of Friday's break-out from the narrow price range traded recently.

Boosted by the strong pre-week-end tone in New York and the renewed weakness of sterling, prices quickly achieved a £30 permissible limit rise. After the statutory 15 minute break in trading they advanced a further £30 before settling down for a while. But a higher than expected opening in New York followed by a "limit" rise there pushed the market upwards again a futures quotations ended near the day's highs.

The recent uncertainty of the market has belied a basically "bullish" sentiment, in the view of some traders. Friday's break-out is believed to have opened the door to significant pent-up buying pressure and the ensuing upsurge was boosted yesterday by the triggering of stop-loss buying orders. One dealer also suggested that last week's setback had left the market over-sold.

First "guesstimates" of second quarter cocoa grindings put the West German figure 10-15 per cent. up on last year and the U.K.'s around 15 per cent. higher. The U.S. grind is expected to be unchanged or a little higher than in 1975.

● The Ghana Cocoa Marketing Board estimates mid-crop purchases for the 16th week (ended September 23) of the current season at 1,730 tons, bringing cumulative purchases to 11,563 tons, reports Reuter from Accra. Last year the mid-crop season ended after 14 weeks with the total standing at 7,990 tons.

Nickel price rise reduced

By Our Commodities Staff

FALCONBRIDGE HAS confirmed that it has cut its proposed rise in the price of nickel from $2.53 to $2.41 a lb. This follows the move by International Nickel to raise its price by only 9 per cent. after Falconbridge had announced a 15 per cent. increase. Falconbridge has also adjusted its price for ferronickel to $2.36 per lb. of nickel content.

The new prices are officially effective from October 1, but are unlikely to be applied universally until January 1.

COPPER BUFFER STOCK TALKS

Avoiding the problem of footing the bill

BY DAVID EGLI, GENEVA CORRESPONDENT

COPPER PRODUCING and consuming countries are being urged to examine a buffer stock and other supportive arrangements to stabilise international trade in this commodity without too close a link at this stage with the considerable financial commitments that these would entail.

In line with the resolution concerning an integrated programme for commodities adopted in May at the last UN Trade and Development Conference, the Unctad secretariat in Geneva follows the line that the early establishment of a common fund for the direct financing of international commodity stocks "would allow the negotiation of a stocking arrangement for copper . . . to go forward unhampered by the particular financing difficulties of individual countries under ad hoc systems of financing."

Glossing over

Accordingly, this week's private preparatory conference on copper, attended by representatives of 50 producing and consuming countries, is merely being asked to determine the financial requirements resulting from the measures and techniques proposed.

Since Mr. Gamani Corea, the Secretary-General of Unctad, argued yesterday that there was no single prescription applicable to all commodities, it would appear that there is now little difference between the case-by-case or the integrated approach, beyond the rather risky business of glossing over who is going to foot the bill.

A first preparatory meeting on the establishment of a common fund may be held in November.

Even by Unctad reckoning—and other studies have indicated much larger requirements—the maximum resources required to finance a copper buffer stock would range from $845m. to $1,353m. This does not take into account the presently exceptionally high level of world copper stocks, which would argue for an even greater financial commitment.

The sum involved has been further tailored down through the assumption that a copper buffer stock would be accompanied by production and/or export controls as well as quantitative supply and purchase commitments and other supporting measures.

This week's preparatory meeting on copper will examine the Unctad proposals in detail. But it is not expected that it will get much beyond this.

In his opening statement, Mr. Corea stressed that this was the first opportunity to test the new spirit reflected in the resolution on an integrated programme for commodities. If a good start was made in negotiations on copper it would be tantamount to a good start for the whole series of individual commodity negotiations.

Despite the commitment on the part of both the Intergovernmental Council of Copper Exporting Countries (CIPEC) and the International Wrought Copper Council to aim at the regulation of the world copper market through a buffer stock arrangement combined with regulation of copper production it is difficult to see how far participants can push matters without touching on finance.

Unctad sees a buffer stock of 500,000 to 800,000 tons, equivalent to about two or three months of net exports of copper, with a wider price range (about 30 per cent.) around a given price level than that (about 20 per cent.) applied in recent years under the International Tin Agreement. Admittedly this would lead to a lower level of price stabilisation, but it would reduce the necessary recourse to supply restraints at the "floor" price and would make stocking and destocking requirements within the range more manageable.

Extraordinary

The Unctad secretariat said the fact that reported world stocks of refined copper total about 1,700,000 tons, of which perhaps about 600,000 to 700,000 might be considered as normal working stocks of producers and fabricators, "does not necessarily mean an international buffer stock would need to be tailored to the present situation. A regulated and smoothly functioning copper market could be expected to prevent the market excesses which have brought about the present extraordinary situation."

On supply management measures, the secretariat's report abandons the idea of formal export quotas in favour of flexible production and export controls to minimise periods of supply restraint and the associated social costs to both producing and consuming countries.

The burden of adjustment to protect a copper floor price, it is suggested, should be equitably shared among copper producing countries which were net exporters and industrialised net copper importing countries, "some of which contribute significantly to world copper output and some of which have refining capacities in excess of their internal consumption needs."

Sharp rise in London tin market

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES moved up sharply on the London Metal Exchange yesterday, reflecting the further fall in the value of sterling and expectations of a tightening supply situation. Cash tin closed £82.5 higher at £4,732 a tonne, despite being brought back from the day's peak levels by profit-taking sales.

As expected tin stocks held in LME warehouses fell by 570 tonnes, reducing total holdings to 7,335 tonnes. Although the Penang market was closed overnight London was given a firm undertone by the stocks fall and expectations that the U.S. move to sell surplus stockpile tin would not get through Congress.

Copper was also buoyed by weaker sterling and a decline in warehouse stocks—down by 375 tonnes to 558,925 tonnes. But after moving up in early trading, values lost ground in the afternoon in the face of heavy profit-taking. Copper wirebars closed only £2 higher at £848.5 a tonne.

Lead stocks showed a hefty fall of 4,125 tonnes, cutting the total holdings to 65,875 tonnes. This was largely in line with market expectations, however, and therefore had little impact on prices. As a result cash lead closed marginally higher at £283 a tonne. In contrast zinc stocks rose 1,300 to 101,450 tonnes and market prices eased slightly.

LME silver holdings rose by 590,000 to 29,750,000 ounces.

COMMODITY MARKET REPORTS AND PRICES

...ASE METALS

...PER—Firmer on the London Metal ...ance with the weakness of sterling ...ain influence. The fall in stocks had ...influence. Forward metal opened ...4 and traded up to £890 during the ...ng on a combination of stop-loss, ...t and fresh buying in addition to ...a against physical business. In the ...oon a strong Comex opening pushed ... further ahead before profit-taking ...h London and New York eliminated ... earlier gains. But physical demand ... trading caused another rally and ...a very active day's trading forward ... closed on the Kerb at £885. Turnover ...5,275 tonnes.

...lgamated Metal Trading reported ...the morning cash wirebars traded ...5, three months £888, 87.5, 87, 86.5, ...88.5, 89, 89.5, 90, 90.5, 90. Cathodes: ...months £876, 76.5, 76. Kerb: Three ...s £889, 89.5, 90, 89, 89.5. Cathodes, ...months £876. Afternoon: Wirebars, ...£848, three months £889, 88.5, 89, ...5, 88, 87.5, 84, 83, 82, 82.5, 83, 82.5, ...5, 83. Cathodes, three months £868. Kerb: Three months £882, 83, 83.5, 84, 83.5, 84.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	856-7	+11½	848-9	+2
3 months	889.5-90	+15	882-.5	+5.5
Settlem'nt	857	+12	—	......
Cathodes				
Cash	842.5-3.5	+9¾	834-6	+3
3 months	878-.5	+12	868-9	+5.5
Settlem'nt	843.5	+10	—	......
U.S. Smt.	—	......	*74	......

TIN—Stronger, although prices dipped in the afternoon. There was no lead from the Eastern market, which was closed overnight, but forward metal opened firmly at £4,815 against the background of the pound's problems and advanced to £4,870 on bear covering with sellers reluctant. The fall in stocks, even though expected, helped the advance which reached £4,870 before profit-taking was attracted. This pushed the price down to £4,847 before physical business from Europe and more bear covering lifted the price to a close of £4,875 on the Kerb. Turnover 1,885 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4740-2	+128	4730-5	+82.5
3 months	4870-2	+138	4862-3	+90
S'ment	4742	+128	—	......
Standard				
Cash	4740-2	+128	4730-5	+82.5
3 months	4870-3	+138	4862-3	+90
S'ment	4742	+128	—	......
Straits E.	[illegible]		—	
New York	—		565.50	

[illegible]

LEAD—[illegible]

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	282.5-3	[illegible]	282.5-3.5	[illegible]
3 months	293-.5	[illegible]	294.5-5	[illegible]
S'ment	283	[illegible]	—	
N.Y. Spot	—		*33-35	

[illegible]

ZINC—[illegible] at £435 in [illegible] interest and the price drifted on lack of interest before closing on the Kerb at £433. Turnover 4,475 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	415.25-	+1.12	414-5	-1.25
3 month	435.5 4	+1.25	432-.25	-.5
S'ment	416.25	+.75	—	......
Prm. West	—	......	*37.40	......

Morning: Cash £418, three months £435, 34.5, 34. Kerb: Three months £433.5. Afternoon: Three months £434.5, 34, 33, 32.5, 32. Kerb: Three months £433, 34.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 7.9p an ounce higher for spot delivery in the London bullion market yesterday at 263.1p. U.S. cent equivalents of the fixing levels were: spot 442.9c., up 5.2c; three-month 446.6c, up 4.5c; six-month 453.3c, up 4.3c; and 12-month 468.8c, up 4.1c. The metal opened at 261.3-262.3p (441-443c) and traded quietly before closing at 262-263p (440½-442½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	263p	+6.9	260.5p	+3.9
3 months	271.7p	+7.4	268.75p	+4.15
6 months	281.4p	+7.4		......
9 months		......	281.2p	+4.7
12 months	299.4p	+7.8	—	......

LME—Turnover 259 (127) lots of 10,000 ozs. Morning: Three months 271.9, 1.2, 1.5, 1.8, 2.0, 1.8, 2.0, 2.2, 2.3, 2.0, 2.5, 2.6, 2.7, 2.8. Kerbs: Three months 272.5, 72.0, 71.8. Afternoon: Three months 270.5, 70.3, 70.1, 70.2, 70.0, 68.5, 68.7, 68.9, 69.0, 68.8. Kerbs: Three months 268.8, 9.0, 8.7, 8.8, 8.5, 8.6, 8.7.

FREIGHTS

DRY CARGO—The market opened the week moderately active with rate levels about steady. Grain shippers covered cargoes from the U.S. Gulf to the Netherlands at $8.50 f.i.o. for Oct., from Northern Range to Seaforth at $8 fio for Oct. and from Philadelphia to the Netherlands-Belgium range at $5.50 fio for Sept.-Oct. Other grain bookings included Toledo to Manchester at $22.50 fio for Oct. and Gt. Lakes to Antwerp-Hamburg range at $20 fio for Nov.-Dec. South American shippers fixed grain cargoes from the River Plate to Denmark at lump sum equivalent to $13.50 free discharge for Oct. and from Brazil to Singapore at $26.50 fio for Oct. Miscellaneous chartering included ore from Narvik to Redcar at $1.65 fio for Oct. and from Kirkenes to Port Talbot at $2.20 fio for Sept.-Oct. and from Tubarao to Gijon at $3.60 fio for Oct. A cargo of Bentonite from Milos to Seven Islands paid $5.83 fio for Sept.-Oct.

COCOA

Prices surged into new high ground with heavy commission—house buying, [illegible]

	Yesterday's Close	+ or —	Business Done
[illegible]			

Sales: [illegible]

ICCO indicator prices [illegible]

COFFEE

Rises in Robusta futures reflected New York trends and sterling's decline. [illegible]

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	1780-1790	+87.50	1785-1770
November	1776-1780	+68.50	1780-1750
January	1733-1740	[illegible]	[illegible]
March	1716-1758	[illegible]	[illegible]
May	1705-1707	[illegible]	[illegible]
July	1692-1697	[illegible]	[illegible]
September	1670-1695	[illegible]	[illegible]

Sales: 3,123 ([illegible]) lots of 5 tonnes.

ICO indicator prices [illegible] pound): Colombian Mild Arabicas £182.00 (£178.00); other Mild Arabicas £160.50 (£157.50); unwashed Arabicas Santos Fours £155.50 (same); Robustas £138.50 (£138.00). Daily average £135.50 (£158.75).

RUBBER

STEADIER opening on the London physical market. Fair demand throughout the day, closing on a firm note. Lewis and Peat reported a Malaysian godown price of 187 cents a kilo (nominal buyer, October).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Nov.	54.00-56.00	52.00-53.00	55.00
Dec.	54.00-57.00	—	56.00
Jan-Mar	57.80-57.85	55.35-55.55	57.85-55.25
Apr-Jne	60.05 60.10	57.40-57.50	60.05-57.40
Jly-Sept	62.35-62.40	59.50-59.75	62.35-58.60
Oct-Dec	64.44-64.50	61.80-62.25	64.40-62.15
Jan-Mar	65.80-66.00	63.80-65.50	66.80-65.40
Apr-Jne	65.80-69.75	62.00-65.75	—
Jly-Spt	68.00-67.50	—	—

Sales: 447 (199) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 51p (49.0); Oct. 51p (49.25); Nov. 51.75p (50.25).

SOYABEAN MEAL

The market eased throughout the day on lack of commercial support and rumours that the Russian grain crop could total 221m. tons, reports S.N.W. Commodities. Weakness in sterling arrested a major decline.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
October	129.5-31.5	-3.00	—
December	135.60-36.7	-1.40	137.00-35.20
February	139.30-39.7	-3.20	140.7-38.50
April	142.50-45.0	-0.50	144.20-42.50
June	145.00-48.0	-1.00	—
August	146.00-49.0	-0.50	—
October	148.50-49.4	-1.25	150.00

Sales: 97 (140) lots of 100 tonnes.

GRAINS

THE BALTIC—The imported grains market continued to be overshadowed by the weakness of sterling. EEC wheat attracted a limited inquiry for Oct. shipment to South and East Coast U.K. Optional corn met interest for second half Oct. transhipment to the East Coast Scotland. Business was again very slow to develop.

Wheat—U.S. Dark Northern Spring No. 2 14 per cent. Nov. £93.80, Dec. £95.75 transhipment East Coast. U.S. Hard Winter No. 2 Ordinary Oct. £89.00, Nov. £85, Dec. £86.90 transhipment East Coast. EEC Feed Oct. £85.50 East Coast.

Maize—No. 3 Yellow American-French Oct. £82.50 transhipment East Coast.

Barley—EEC Feed-Canadian No. 2 Sept. £79.45 East Coast.

MARK LANE—Business was quiet in most sections but price trends held steady. London paid £85.35 a tonne for Oct. parcels of milling wheat and £86.50 [illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) £115.00 (£111.00) a ton cif for Sept.-Oct. shipment. White sugar daily price was fixed at £161.[illegible]

The further depreciation of sterling against the [illegible] opening when [illegible] above Friday's [illegible] Then [illegible] mid-afternoon [illegible] could not [illegible] all the gains [illegible]

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	119.75-[illegible]	[illegible]	[illegible]
Dec.	126.75-[illegible]	[illegible]	[illegible]
March	136.75-[illegible]	[illegible]	[illegible]
May	141.00-[illegible]	[illegible]	[illegible]
Aug.	145.50-[illegible]	[illegible]	[illegible]
Oct.	150.50-[illegible]	[illegible]	[illegible]
Dec.	154.00-[illegible]	[illegible]	[illegible]

Sales: 1,994 [illegible]

Tate and [illegible] granulated basis [illegible] (same) a [illegible] £181 a tonne [illegible] previously).

EEC IMPORT LEVIES [illegible] denatured and [illegible] (previous in [illegible]) (17.55). Raw [illegible]

MEAT/VEGETABLES

SMITHFIELD [illegible] —Beef: Scotch [illegible] Ulster hindquarters [illegible] quarters 34.0 [illegible] 33.0 to 35.0. [illegible]

Veal: English [illegible] 56.0: Scotch [illegible] hinds and ends [illegible] ends 50.0.

Lamb: English [illegible] medium 40.0 [illegible] Scotch medium [illegible] to 40.0, hill [illegible] NZ PL 44.0 [illegible] PH 38.0 to [illegible]

Pork: English, under 100 lbs 32.0 to 39.0, 100-120 lbs 32.0 to 38.0, 120-160 lbs 32.0 to 36.0.

Grouse: Young best (each) 110.0 to 140.0, old (each) 60.0 to 65.0.

Hares: English, large (each) 110.0 to 140.0.

* Special quotations—very high quality produce in limited supply.

MEAT COMMISSION—Average prices at representative markets in the week to September 25: Cattle £28.45 per live cwt [illegible]

WOOL FUTURES

[illegible]

PALM OIL

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept.27 1976	+ or —	Month ago
Metals			
Aluminium (a)	£579	......	£526.6
Free Market (cif)	$825-850	......	$975-995
Copper			
Cash Wire Bars (a)	£848.5	+2.0	£850.25
3 months do. do. (a)	£882.25	+5.5	£880.25
Cash Cathode (a)	£835	+3.0	£838.25
3 months do. do. (a)	£868.5	+5.5	£867.75
Gold ... Troy oz.	$118.5	-0.75	$104.875
Lead Cash (a)	£283	+0.25	£273
3 months (a)	£294.75	+0.625	£283.75
Nickel (a)	£2,795.5	......	£2,785
Free Market (cif)(lb)	$2.15-2.20	......	£205
Platinum (b) troy oz.	£108-112	......	£104-08½
Free Market	£94.65	......	£86.75
Quicksilver (76lb)(a)	$90-95	......	$80-85
Silver Troy oz.	265p	+6.9	456.7p
3 months	271.7p	+7.4	443.9p
Tin Cash (a)	£4,782.5	+82.5	£4,460
3 months (a)	£4,862.5	+90.0	£4,575.5
Wolfram 22.04lb. cif	£73½-75½	......	£71-72.5
Zinc Cash (a)	£414.5	-1.5	£419.75
3 months (a)	£432.125	-0.5	£455.25
Producers (a)	$796	......	$795
Oils			
Coconut Malayan	‡		‡
Groundnut			
[illegible]	£491	......	£427
Linseed Crude (a)	‡	......	£458
Palm Malayan (a)	$433	-12.0	$428
Soyabean (a)	‡	......	‡
Seeds			
Copra Philipp (a)	$545	+10.0	$517.5
Gr'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	£200.65	......	£195
Grains			
Barley EEC	£79.45	+0.45	£75.5
Home Futures	£80.45	+0.25	£76.15
Maize			
French No.3 Am.	£82.5	+0.5	£76.4
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No.2 Hard Winter	£83.6	......	£82.5
Australian	‡	......	‡
English Milling (a)	£85.5	-0.75	£85
Cocoa Shipment (a)	£1,657.5	+85.0	£1,374
Futures Dec.	£1,619	+85.0	£1,551.5
Coffee Shipment (c)	‡	......	‡
Futures Nov.	£1,777.5	+58.5	£1,540
Cotton 'A' Index cent	83.7	+0.5	85.9*
Jute LJABWC (d)	$581	......	$580
Rubber kilo	51p	+2.0	48.5p
Sisal EASL (a)	$600	......	$600
Sugar (Raw)	£115	+4.0	£125
Wooltops 64s ... kilo	294p	+7.0	275p
Cloves (Madagascar)	$23,250	......	$3,350
Pepper White ... ton	£1,235	......	£1,115
Black ... ton	£1,085	......	£950

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." h Jan.-March. k Oct.-Dec. r Sept. u Metric tons.

FINANCIAL TIMES

Sept. 27	Sept. 24	Month ago	Year ago
239.66	237.19	235.13	177.46

(Base: July 1, 1952=100)

REUTER'S

Sept. 27	Sept. 24	Month ago	Year ago
1485.9	1470.7	closed	1163.3

(Base: September 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

NEW YORK, Sept. 27.

Cocoa—Ghana spot 134½ (130) nom. Bahia spot 129½ (124½ nom.). Dec. 115.50 (114.50), March 113.00 (109.60), May 108.95, July 104.90, Sept. 100.55, Dec. 95.35. Sales: 1,114.

Coffee—"C" Contract: Sept. 167.00 (161.60), March [illegible] 154.30 bid, July [illegible] bid, Dec. 130.63 [illegible]

Copper—Sept. [illegible] (65.50), Nov. 65.[illegible] March 67.40, Ma[illegible] 70.40. Sales: [illegible]

Cotton—No. [illegible] Dec. 77.90-78.00 [illegible] May 79.30, July [illegible] 71.68, Dec. 67.50 [illegible] Sales: 4,550.

φGold—Sept. [illegible] (118.50), Nov. [illegible] 117.90, April 118[illegible] 119.60, Oct. 120.[illegible] 1,384.

Greasewool—Spot [illegible] Oct. 172.3-181.10 [illegible] (177.5), March [illegible]

†Lard—Chicago [illegible] NY prime steam [illegible]

††Maize—Dec. [illegible] 278½-279 (280), [illegible] Sept. 278½.

‡Platinum—Oct. [illegible] 187.50 (187.60), [illegible] Oct. 177.50, Jan. [illegible]

‡‡Silver—Spot [illegible] 440.30 (442.30), [illegible] 441.90, Dec. 443.[illegible] 449.40, May 453[illegible] 462.90, Dec. 470.[illegible] 13,220.

Soyabeans—Nov. [illegible] 644-643 (649½), [illegible] 649, July 645-649[illegible]

§Soyabean Meal—[illegible] (174.90), Dec. 17[illegible] 181.00-180.50, Ma[illegible] 183.50-184.50, July [illegible] 185.50-184.50.

Soyabean Oil—[illegible] Dec. 21.60-21.50 [illegible] March 21.80-21.75 [illegible] 21.75, August 21.7[illegible]

Sugar—No. 11: [illegible] 8.27-8.23 (13.91), [illegible] 9.10-9.15, May 9[illegible] Sept. 9.73, Oct. 9.[illegible]

Tin—360.00-367.00 [illegible] asked).

***Wheat—Dec. [illegible] 314-313½, May 320 [illegible]

WINNIPEG, Sept. [illegible] bid (254½ bid), Nov. [illegible] 254½ bid, May 10[illegible]

rOats—Oct. 121[illegible] (124½), May 84.10 [illegible]

Barley—Oct. [illegible] (194½ bid), May 9[illegible]

dFlaxseed—Oct. [illegible] 321 (322½), Dec. 7[illegible]

Wheat—SCWRS [illegible] content cif St. La[illegible]

All cents per pound [illegible] otherwise stated. [illegible] ex-warehouse. [illegible] ounce lots. † Chicago [illegible] —Dept. of Ag. [illegible] Prime steam fob [illegible] †† Cents per troy [illegible] b New "B" contract [illegible] fob cars Chicago, [illegible] Alton. ‡ $'s per [illegible] units of 99.9 per cent [illegible] ***Cents per 60-lb [illegible] per 56-lb bushel [illegible] bushel lots. c Cents per 48-lb [illegible] 5,000 bushel lots. d [illegible] ex-warehouse, 1,000 [illegible]

JUTE

LONDON—Steady. [illegible]

COTTON

LIVERPOOL—Spot and shipment sales in Liverpool amounted to [illegible] [illegible]

F.G. Index 01-351 3466 — January Coffee 1733-1741

STOCK EXCHANGE REPORT

Markets overshadowed by fresh decline in sterling

Share index down 4.3 at 344.6—Reaction in Rhodesian issues

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sep. 20	Sep. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Overshadowed by a fresh setback in sterling, stock markets had a distinctly unsettled look about them yesterday. Nevertheless, the new Government loan, Treasury 14½ per cent., 1994, ended with a premium of ½ over the issue price of 96½, but other long-dated Gilt-edged stocks closed with falls of ⅛, while shorts recorded fractional mixed movements. The Government Securities index shaded 0.07 to 60.27, after the previous week's improvement of 0.71.

Underlying sentiment was additionally affected by the advent of the annual Labour Party Conference and fears of further pressures for fringe benefits following the seamen's agreement. Leading equities encountered sporadic selling and, with the market almost devoid of support, closing quotations were only a shade above the worst. Down 4.9 at its lowest of the day at 2 pm, the FT 30-share index closed 4.3 off on balance at 344.6.

Gilts lose confidence

Elsewhere, some sharp reactions in Rhodesian stocks occurred on fears of protracted negotiations for a constitutional settlement. Overall, price changes were narrowly irregular, but company trading statements and bid news provided some noteworthy movements. Falls just had the edge over rises by 6-5 in FT-quoted Industrials, while the FT-Actuaries All-Share index lost 0.6 per cent. to 143.05. Official markings of 4,126 compared with 3,666 last Friday and 4,118 a week ago.

The confidence which had been apparent in Gilt-edged towards the end of last week evaporated when sterling again plunged yesterday. The success of the new Treasury 14½ per cent., 1994, loan, which opened at ⅝ premium on the issue price and closed at ½ premium, or at 97, sustained the market to some extent, but early improvements of ⅛ among the longs were finally relinquished and the close was generally that fraction easier. Short-dated issues were affected to the same degree, meeting a stream of small selling subsequent to a higher opening and ending mixed on the day. In all sectors, the trend after-hours' was towards slightly lower levels.

Southern Rhodesian bonds reacted quickly to news that the African Presidents had rejected the Kissinger proposals and the 2½ per cent., 1965-70, issue came back 9 points to £51; other losses were in proportion.

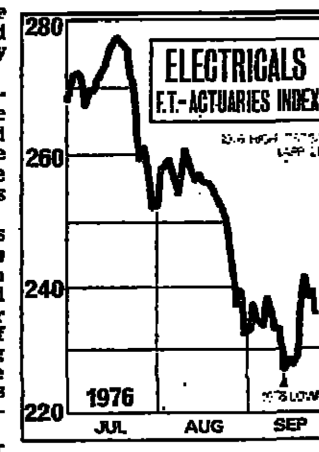
Sterling's fresh weakness brought the inevitable upsurge in the investment currency premium which, at the $2.60 parity, reached its highest ever rate of 132 per cent.; this represented a gain of seven points on Friday's closing level. Trading was thin because of the limited amount of dollars available. Yesterday's SE conversion factor was 0.6676 (0.6748).

The much-troubled **Slater Walker Securities** remained under a cloud in Merchant Banks, losing 1¼ more to an all-time low of 7¼p; sentiment continued to be affected by the investigations into the affairs of former chairman Mr. Jim Slater and several directors. Elsewhere, the big four banks passed a quiet session and eased with the general trend. **Barclays** lost 5 to 245p and **Lloyds** and **Midland** both shed 3 at 195 and 245p respectively. National Westminster, however, held steady at 215p. Up 44 last week on Rhodesian settlement hopes, **Standard Chartered** reacted 4 to 343p on profit-taking.

Profit-taking after last week's speculative surge on bid hopes left Leslie and Godwin 5 easier at 106p in Insurances. Ahead of to-morrow's interim figures, Legal and General lost 4 to 100p.

With the exception of Arthur Guinness, which hardened 1½ to 115½p, Breweries and kindred trades drifted gently lower in slack trading. **Irish Distillers** shed 3 to 42p and Arthur Bell receded 2 to 122p, while **Tomatin** cheapened a penny to 42p; the latter's interim results are due to-day.

Buildings were featured by **Tarmac**, which moved up to 144p



ahead of the interim report before reacting to close 6 easier on the day at 136p following the disclosure of first-half profits below market expectations. **John Laing** "A," 67p, made no apparent response to the interim figures and profits forecast, but **Cakebread Robey** "A," 18p, and **J. B. Holdings**, 29p, both closed a penny better following their respective trading statements. **Reed and Mallik** reflected Press mention with a rise of a penny to 19p.

Fisons dominated proceedings in Chemicals, falling to a 1976 "low" of 270p on first-half profits which fell short of market expectations before finishing 15 easier on the day at 275p. **ICI** were finally 3 off at 317p, after 321p. **Albright and Wilson** reacted similarly to 70p, but dollar premium influences aided **Norsk Hydro**, two points harder at £42, and **Hoechst**, 20 higher at 520p. **Anchor** held at 44p despite news of the first-half return to profitable trading.

Philips' Lamp rise

Philips' Lamp featured Electricals with a gain of 17 to 954p on dollar premium influences. **A.B. Electronics** responded to the sharply increased earnings with a gain of 3 at 60p, after 61p, while **Unitech** edged up 1 to 51p on further consideration of the chairman's statement at the annual meeting. Elsewhere, **Stocklake**, a firm market last week on its Rhodesian interests, reacted 5½ to 27½p. Among the leaders, **GEC**, 136p, after 135p, and **BICC**, 97p, after 96p, both finished 3 cheaper.

Store leaders drifted lower in light trading. **Marks and Spencer** closed a penny off at 91p, while **UDS**, 63p, and **Burton**, 34p, shed 2 apiece. **Wearwell** eased 1½ to 15p on the dividend omission and loss, while small selling left **Mothercare** 4 cheaper at 168p. Of the few firm spots, **Ladies Pride** edged up 2 to 33p and **Home Charm** improved 3 to 58p. Shoes were notable for a late reaction of 2 to 37p in K on the announcement that the company is closing one of its ten factories. **Footwear Industry Investments**, 35p, made no apparent response to the disclosure of reduced earnings.

Mather and Platt jumped 42 to 109p, after 113p, following the surprise merger by way of a bid of 120p cash from **Wormalds International**, an Australian concern; Mather and Platt Preference rose 8½ to 46½p. Engineerings otherwise went lower with **Vickers** losing a further 4 to 142p, after 141p, still showing dissatisfaction with the lack of growth this year. **Weyburn** retreated 10 to 300p and **A. Cohen** were marked down a similar amount to 120p, but **C. and W. Walker** rose 8 to 108p on good interim results and **Adwest** put on 3 to 136p following pleasing preliminary figures. News of the redundancies brought **Peter Brotherhood** back 3 to 66p.

Tate and Lyle provided a firm spot in listless Foods, closing 3 better at 240p, after 245p, following Press comment on the company's prospects following the Manbre and Garton acquisition. **Rowntree Mackintosh**, a penny harder at 193p, were also sustained by Press mention, while **Geo. Bassett** put on 3 to 67p. On the other hand, losses of 2 were seen in **J. Lyons**, 67p, and **J. Sainsbury**, 128p. Hotels and Caterers had an easier tendency, **Grand Metropolitan** and **Ladbroke** both losing 2 at 60p and 85p respectively.

Glaxo on offer

The Industrial miscellaneous leaders were basically easier, although several closed above the day's worst. Exceptions to the rule were **Glaxo**, which ended 8 down at 327p on small offerings ahead of the preliminary figures that are due within two or three weeks, and **Turner and Newall**, which encountered profit-taking and lost 6 to 143p after last week's good rise on its Rhodesian interests. **Beecham** finished 2 easier at 328p, after 325p, while losses of around 5 were sustained by **Pilkington**, 293p, and **Unilever**, 394p; the NV, however, rose ⅞ to £23⅞ on the strong investment premium. Elsewhere, **Alpine Holdings** reflected the first-half loss with a fall of 2½ at 16½p, but good preliminary figures from **Parker Knoll** left the "A" shares unchanged at 48p, after having been down to 45p in front of the news. **Sunlight Service** were unaltered at 18p following the improved first-half performance. **Whatman Reeve Angel** responded to the record interim profits with a rise of 3 at 114p, but higher interim profits failed to find reflection in **Friedland Doggart**, 3 down at 59p. Following last Friday's decline of 52 on the lapsing of **Tanganyika Concessions'** merger proposal, **Elbar Holdings** recovered 5 to 150p. Week-end Press mention helped **Campari** gain 3 to 34p, and left **LCP** a shade firmer at 62p. **Zetters** gained 2 to 24p in reflection of the acquisition of Copes Football Pools.

In Motors and Distributors, **Dunlop** gave up 3 at 73p and **Lucas Industries** finished 4 easier at 179p. **Armstrong Equipment** were quoted 1½ cheaper at 40½p ex the "rights" issue, while the new nil-paid shares opened at 32p premium and closed at 30½p premium after a quiet trade.

Jefferson Smurfit moved up 4 to 114p in response to week-end Press mention, but there was little else of note in either Paper/Printings or Newspapers. Among the last-named, **United** eased 2 to 220p in front of to-day's interim results. Elsewhere, **Morgan Grampian** remained at 103p despite news that Messrs. Abramson and Pegg had increased their stake in the company to 23.01 per cent.

Oils resist trend

Currency hedge buying revived in Oils on sterling's latest plight and **British Petroleum**, which had initially slipped to 615p reflecting a waning U.S. interest, rebounded to close 5 higher on balance at 625p. **Shell** performed similarly, easing to 396p before ending a net 2 harder at 400p, while **Royal Dutch** strengthened on investment dollar influences to £43⅛, a rise of 1⅜ points more. Currency considerations also promoted fresh demand for **LASMO/SCOT** issues, up 10 further at 248p.

Interest rate fears continued to weigh on Properties. Small selling in a market currently unattractive to buyers thus produced falls extending to 4 in the leaders and slightly more in **Great Portland Estates**, which lost 6 to 196. **Land Securities** closed 4 cheaper at 136p, while **MEPC** shed 2 to 58p and **English** a like amount to 38p, after 40½p. **Stock Conversion** gave up 3 to 138p and **Peachey** 2 to 50½p, but **Percy Bilton** moved up 2 to 138p, the last-named reflecting satisfaction with the increased first-half profits.

Overseas Traders were mainly easier. **Lonrho**, a firm market last week on its Rhodesian interests, reacted 3 to 76p. **Harrisons and Crosfield** declined 12 to 400p, but **Inchcape** were a firm exception in response to Press comment and gained 5 to 410p.

Investment Trusts displayed resilience to the general easier trend. Dollar premium influences brought improvements of 15 and 18 respectively in **Rolinco** sub-shares, 497p, and **Robeco** sub-shares, 660p, and helped **International Pacific Securities** put on 5 to 130p and **Jardine Securities** 9 to 145p. **Jersey General** added 5 at 207p as did **Challenge Corporation**, to 175p. **Estate Duties** were erratic, touching a 1976 low of 202p before rallying to close unaltered at 208p. After last week's improvement on hopes of a substantial pick-up in gilt-edged business, stockjobbers **Akroyd and Smithers** ran back 5 to 168p.

Shippings were notable for late strength in **P & O Deferred** which moved steadily ahead on a chart buy signal to close 4 better at 113p following a good business. **Lovell's Shipping and Transport** were marked up from a nominal 100p to 130p bid on the 125p per share cash offer from International Ferry Freight, a subsidiary of BET. A dull market last week on the Boardroom unrest, **Milford Docks** rallied 3 to 46p. **Sheaf Steam** hardened a penny to 105p on hopes that a statement on the Ben Line Steamers bid approach is imminent. Ahead of to-morrow's interim figures, **Reardon Smith** gave up 4 to 204p and the "A" declined a penny to 82p.

Textiles displayed no set trend after a small trade. The profits forecast contained in the documents giving the Board's reasons for the rejection of the 35p per-share bid from Nottingham Manufacturing helped **George Spencer** harden a penny to 41p. **Tootal** improved 2 to 34p ahead of to-morrow's half-year results. "**Snia-Viscosa**" added 9 to 135p but **John Haggas**, a thin market, were a similar amount lower at 290p.

Tobacco majors had little to commend them. **Imps** drifted down a penny to 69p. Elsewhere, **Siemssen Hunter** were marked up 2 to 24p following week-end-Press predictions of bumper first-half profits due to be announced shortly.

Plantations closed a shade firmer in places. **Guthrie** hardened 2 to 167p as did **Ruo Estates**, to 45p.

Setback in Rhodesians

Rhodesian mining shares went into a sharp reversal on fears of a long drawn out transition to black majority rule in that country. A further adverse factor was news that the Reserve Bank of Rhodesia has suspended until October 29 dealings in external shares and Rhodesian shares quoted outside the country.

The absence of fresh buyers coupled with small profit-taking caused jobbers to mark down share prices substantially. **Falcon Mines** dropped 30 to 100p, **Mangula** 13 to 105p and **Coronation** 13 to 80p. **Globe and Phoenix** gave up 10 to 50p and **Wankie Colliery** 6 to 48p.

The uncertainty surrounding the Rhodesian settlement coupled with the 75 cents fall in the bullion price to $118.50 per ounce prompted a reaction in South African Golds despite the sharp rise in the investment currency premium. In quiet trading, modest offerings of stock were sufficient to lower **Western Holdings** ½ to £13½ and **St. Helena** 100 to 850p. The Gold Mines index fell 5 points to 115.3.

Financials mirrored Golds. **GFSA** lost 50 to 900p and **Johannies** ½ to £15. The London-based issues were additionally affected by the weakness of U.K. Industrials. **Gold Fields** fell 8 to 139p. In Coppers, **Messina** were 10 down at 215p reflecting the company's Rhodesian interests.

The sharp rise in the investment premium enabled Australians to improve despite the weakness in overnight home markets. **Selcast** rose 7 to 84p; the company recently intersected copper-zinc mineralisation in the Teutonic Bore area of Western Australia following percussion drilling.

Elsewhere, favourable Press comment left **Sabina** 9 to the good at 90p.

FINANCIAL TIMES STOCK INDICES

	Sept. 27	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	A Year Ago
Government Secs.	60.27	60.34	60.23	60.14	59.87	59.61	60.40
Fixed Interest	60.05	60.01	59.98	59.69	59.44	59.53	60.76
Industrial Ordinary	344.6	348.9	348.9	351.8	345.8	339.7	334.2
Gold Mines	115.3	120.3	119.3	121.7	122.4	111.8	269.3
Ord. Div. Yield	6.56	6.48	6.49	6.42	6.52	6.68	6.20
Earnings Y'ld % (full) (a)	19.39	19.08	19.10	18.91	19.21	19.81	17.02
P/E Ratio (net) (a) (b)	7.61	7.73	7.73	7.81	7.69	7.57	8.34
Dealings marked	4,126	3,666	4,163	4,298	4,403	4,118	5,915
Equity turnover £m.	—	35.87	53.55	83.46	57.81	33.51	39.85
Equity bargains total	—	8,999	9,345	12,003	11,309	9,536	12,826

10 a.m. 347.4. 11 a.m. 348.5. Noon 348.7. 1 p.m. 344.5. 2 p.m. 344.6. 3 p.m. 344.6.
Latest index 01-246 8026

(a) Based on 52 per cent. corporation tax. (b) Nil=7.35.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	68.21 (30/1)	59.61 (20/8)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	59.33 (20/9)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	334.5 (17/9)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 27	Sept. 24
Daily—		
Gilt-Edged	190.8	130.9
Industrials	118.6	111.3
Speculative	50.9	47.0
Totals	93.9	83.4
5-day Av'rge.		
Gilt-Edged	158.9	158.8
Industrials	128.0	129.7
Speculative	46.3	46.1
Totals	94.0	94.0

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section.

	Equity groups	Mon. Sept. 27, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Friday Sept. 24 Index No.	Thurs. Sept. 23 Index No.	Wed. Sept. 22 Index No.	Tuesday Sept. 21 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	129.12	−0.8	20.05	7.18	7.39	7.42	130.11	129.90	130.80	129.42	122.98	160.06 (21/4)	125.22 (16/9)	206.37 (4/5/72)	50.17 (13/12/74)
2	Building Materials (30)	117.72	−1.3	18.79	8.04	8.04	8.04	119.31	119.16	119.05	117.57	119.46	150.16 (15/1)	118.47 (16/9)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	178.91	−0.3	23.08	6.19	6.63	6.63	179.47	177.43	177.18	173.34	223.46	260.20 (15/1)	166.88 (16/9)	389.33 (19/6/72)	71.48 (2/12/74)
4	Electricals (16)	235.32	−1.5	18.96	5.66	7.65	7.87	239.02	238.08	241.22	239.51	212.08	287.30 (21/4)	226.92 (13/9)	350.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	154.82	−1.1	29.73	8.04	4.93	4.85	156.52	156.78	157.45	156.54	149.30	193.18 (3/6)	150.01 (26/8)	202.57 (6/6/73)	94.43 (1/2/75)
6	Engineering (General) (64)	118.81	—	20.39	7.70	7.25	7.25	118.78	118.94	120.14	119.13	106.64	149.29 (5/5)	116.90 (16/9)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	51.67	−0.3	17.85	8.60	8.01	8.00	51.83	51.28	51.59	51.09	40.46	60.62 (5/5)	50.77 (20/9)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	114.67	−0.7	17.94	7.71	8.25	8.15	115.43	115.49	116.05	114.13	104.60	141.94 (11/5)	112.11 (20/9)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	108.49	−0.8	21.04	6.43	7.13	7.11	109.41	109.79	110.54	108.34	99.97	141.46 (21/4)	105.51 (20/9)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	117.06	−0.8	20.50	4.97	7.19	7.18	117.95	118.97	120.41	116.99	120.29	160.35 (7/4)	113.04 (16/9)	257.41 (19/6/72)	42.65 (12/12/75)
11	Household Goods (13)	137.88	−0.3	21.36	8.67	7.14	7.11	138.29	138.31	137.95	137.03	148.65	187.22 (7/4)	135.08 (20/9)	263.22 (4/5/72)	63.94 (17/12/74)
12	Motors and Distributors (25)	70.51	−1.1	21.69	7.72	7.04	7.01	71.33	71.14	71.32	70.46	50.67	85.16 (3/5)	69.02 (20/9)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (169)	131.89	−0.6	16.75	7.31	9.03	8.94	132.71	132.19	133.19	130.99	139.91	162.24 (4/2)	127.55 (16/9)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	146.95	−0.5	16.11	7.74	9.30	9.30	147.63	148.28	150.09	148.21	161.38	179.43 (2/2)	143.46 (16/9)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	147.69	−0.5	16.03	7.42	9.58	9.58	148.37	148.78	150.41	149.86	142.13	190.67 (5/6)	144.44 (25/8)	257.40 (14/7/72)	78.71 (13/12/74)
16	Entertainment, Catering (14)	158.75	−1.0	15.72	8.40	9.82	9.73	160.35	160.77	162.15	159.37	160.46	211.26 (3/3)	153.10 (16/9)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (23)	146.33	−0.2	18.85	6.32	8.07	8.01	146.68	146.09	146.59	143.46	152.38	179.44 (11/5)	138.12 (16/9)	211.65 (1/6/72)	59.79 (11/12/74)
18	Food Retailing (16)	118.89	−0.7	15.45	6.58	9.46	9.46	119.76	119.01	120.11	117.67	144.44	150.05 (12/1)	115.62 (16/9)	235.08 (16/8/72)	54.55 (11/12/74)
19	Newspapers, Publishing (16)	168.40	−0.2	14.09	6.18	10.76	10.76	168.68	168.19	168.19	167.41	135.46	184.34 (11/5)	157.01 (2/6)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	91.22	+0.1	16.42	8.58	9.37	9.37	91.16	91.29	92.12	91.32	92.56	112.50 (26/2)	88.62 (20/8)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (34)	105.95	−1.0	14.39	6.60	10.69	10.67	106.99	106.60	107.53	105.42	123.10	136.24 (2/2)	103.72 (17/9)	204.39 (18/8/72)	52.63 (6/1/75)
22	Textiles (23)	131.43	−0.8	13.79	8.75	10.98	9.71	132.46	129.62	130.32	128.83	141.08	183.19 (30/1)	125.86 (17/9)	263.72 (17/8/66)	62.66 (11/12/74)
23	Tobaccos (3)	206.22	−0.7	21.35	8.41	6.97	6.97	206.60	205.07	206.59	203.13	192.78	241.89 (3/5)	197.08 (15/9)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	69.13	+0.4	21.81	8.66	6.14	6.11	68.82	68.46	68.46	67.43	59.12	80.95 (16/7)	69.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	186.30	−1.5	16.46	6.14	8.27	8.27	189.20	188.73	190.69	188.43	176.80	231.38 (3/5)	182.84 (16/9)	231.38 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	82.40	+0.8	14.60	6.39	10.00	10.00	81.71	80.75	82.78	79.99	79.84	100.18 (19/5)	77.70 (16/8)	246.06 (1/8/73)	45.34 (2/1/75)
27	Shipping (12)	370.06	−0.8	13.34	7.08	10.68	9.65	372.45	368.26	369.87	364.45	360.46	432.64 (30/1)	356.52 (19/5)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	138.57	−0.3	16.61	8.47	9.05	9.04	138.93	138.91	139.87	138.33	142.52	172.98 (21/4)	134.15 (16/9)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	135.38	−0.7	17.59	7.12	8.40	8.36	136.39	136.01	137.11	136.12	136.10	165.38 (3/5)	131.35 (16/9)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	352.87	+0.7	12.07	4.97	9.60	8.83	350.59	351.45	350.03	344.51	312.45	395.84 (20/5)	344.36 (14/9)	431.66 (29/6/69)	87.23 (29/6/62)
31	500 SHARE INDEX	153.03	−0.5	16.65	6.75	8.58	8.45	153.82	153.53	154.45	152.18	150.73	183.00 (3/5)	147.61 (16/9)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	113.79	−1.3	—	6.96	—	—	115.32	115.35	117.32	115.33	132.51	153.46 (30/1)	110.71 (15/9)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	140.72	−0.5	24.03	6.53	6.40	6.40	141.49	141.30	145.18	143.02	156.62	192.16 (29/1)	134.87 (16/9)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	137.40	—	—	10.07	—	—	137.40	137.40	135.53	135.53	152.18	186.52 (15/1)	129.87 (17/9)	293.13 (2/7/73)	81.40 (10/12/74)
35	Hire Purchase (5)	81.86	+1.0	8.84	8.01	25.18	25.18	81.01	81.09	81.39	80.62	96.81	132.10 (26/2)	80.62 (21/9)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	94.57	−2.2	—	7.94	—	—	96.66	97.37	97.85	96.24	113.30	129.46 (30/1)	90.22 (15/9)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	89.38	−1.7	—	8.30	—	—	90.90	91.26	94.00	92.91	108.24	119.75 (30/1)	89.38 (27/8)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	226.78	−0.4	12.76	5.54	11.73	11.73	227.70	226.14	222.98	218.46	202.61	276.90 (11/6)	206.30 (15/9)	276.90 (11/6/76)	65.86 (16/12/74)
39	Merchant Banks (15)	57.60	−2.0	—	9.66	—	—	58.74	58.90	59.30	57.68	86.94	93.83 (27/1)	57.55 (20/9)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	140.71	−2.3	4.32	3.89	41.95	39.88	144.09	143.23	144.13	139.91	168.69	194.57 (30/1)	136.33 (15/9)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	70.63	−1.0	19.91	11.79	7.58	7.58	71.34	71.34	71.30	70.59	68.82	91.98 (3/2)	68.10 (20/8)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	140.36	−0.2	3.82	5.41	27.08	27.08	140.58	140.51	140.81	138.73	161.08	184.65 (30/1)	136.94 (16/9)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	143.05	−0.6	—	6.72	—	—	143.96	143.75	144.85	142.67	146.48	173.64 (30/1)	138.27 (16/9)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	473.89	+0.2	9.78	5.92	14.97	13.70	472.85	473.56	475.43	470.18	376.37	523.40 (7/5)	404.67 (14/1)	556.37 (23/7/73)	84.68 (25/8/65)
45	Teas (9)	133.75	+0.3	30.28	9.51	4.39	4.27	133.57	132.98	132.85	131.46	104.39	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	201.94	+1.5	52.08	5.55	3.12	3.12	199.03	194.47	191.64	190.23	280.95	301.47 (7/1)	177.60 (9/8)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	89.73	−0.8	11.62	5.59	9.68	9.61	90.44	89.99	88.52	85.91	106.41	119.77 (7/1)	84.82 (17/9)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (7)	115.07	+2.6	13.92	8.72	11.03	10.98	112.20	108.04	106.62	102.05	91.00	119.14 (20/7)	86.09 (9/2)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	212.49	−1.0	16.45	6.22	8.16	8.14	214.70	214.07	212.43	208.10	209.27	254.47 (3/5)	200.80 (31/8)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Monday, Sept. 27 Index No.	Yield %	Friday Sept. 24	Thurs. Sept. 23	Wed. Sept. 22	Tuesday Sept. 21	Monday Sept. 20	Friday Sept. 17	Thurs. Sept. 16	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.66	14.65	14.64	14.64	14.63	14.73	14.71	14.60	14.35	—	—	—	—
2	20-yr Govt. Stocks (6)	46.42	‡13.96	46.48	46.29	46.31	46.04	45.75	45.77	46.04	49.57	53.45 (30/1)	45.75 (20/9)	115.42 (11/9/63)	38.97 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.56	‡15.49	47.47	47.68	47.58	47.49	47.36	46.29	46.46	48.19	52.40 (21/5)	46.29 (17/9)	113.43 (25/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	46.90	14.76	46.90	47.05	47.14	47.14	47.14	47.19	47.14	45.68	51.23 (12/2)	45.43 (7/6)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	64.67	14.71	64.54	64.58	64.55	64.55	64.69	64.97	64.93	63.76	71.97 (2/2)	63.76 (2/1)	114.95 (7/10/63)	47.87 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs	25p	14	265	—	280	246
ICI	£1	10	317	−3	402	312
Shell Transport	25p	10	400	+2	462	374
BP	£1	9	625	+5	685	357
Barclays Bank	£1	8	245	−5	330	230
Tate & Lyle	£1	8	240	+3	295	214
Fisons	£1	7	275	−15	417	270
Marks & Spencer	25p	7	91	−1	108	88
Beecham	25p	6	328	−2	390	314
Cons. Gold Fields	25p	6	139	−8	220	128
Lonrho	25p	6	76	−3	109	61
P & O Defd.	£1	6	113	+4	119	87
Tube Invs.	£1	6	314	—	388	306
British Leyland	50p	5	26	—	36	22
Grand Met.	50p	5	60	−2	88	58

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (66)

FOREIGN BONDS (2)
Ireland 7½pc '81-83 — Japan 4pc '10 Ass.

AMERICANS (26)
Amax — General Electric
Baker Int. — IBM
Barnes Group — Int. Systs. and Cntrls.
Brunswick Cpn. — IU International
CBS — Kaiser Aluminium
Champion Int. — Norton Simon
City Invest. — Richardson Merrell
Eaton — Shell Oil
Exxon — Sperry Rand
Firestone Tire — Tenneco
Fluor — Texaco
Ford Motor — Woolworths
GATX — Xerox Cpn.

CANADIANS (10)
Bank of Montreal — Inland Nat. Gas
Bank of Nova Scotia — Rio Algom
Bell Canada — Royal Bank of Canada
Canadian Pacific — Toronto-Dom. Bank
Hollinger — Trans. Can. Pipe

CHEMICALS (1)
Bayer

DRAPERY AND STORES (1)
Fairdale Textile

ENGINEERING (2)
Mather and Platt — Ratcliffs (Gt. Bridge)

FOODS (1)
Kraftco

INDUSTRIALS (7)
Chamberlain Group — Trans. Union
Dover Cpn. — Unerman
Hutchison Int. — Whatman Reeve
Schlumberger

INSURANCE (2)
Combined American — Taisho Marine

TRUSTS (8)
Brazil Inv. — Rolinco N/V
Nefo Fis. — Rolinco Sub. Shs.
Robeco (Br.) — U.S. Trust Fund
Robeco Sub. Shs. — Massmutual

OILS (4)
LACMO Ops. — SCOT Ops.
Royal Dutch — Suningdale Oils

MINES (2)
A. M. and S. — Northgate

NEW LOWS (50)

BANKS (6)
Arbuthnot Latham — Hill Samuel Warrants
Deutsche Bank — Mercury Secs.
Hill Samuel — Slater Walker

BEERS (4)
Gough Bros. — Invergordon
Highland Distillers — Irish Distillers

BUILDING (2)
Marley — Mears Bros.

CHEMICALS (3)
Croda Int. — Yorks. Chems.
Fisons

DRAPERY AND STORES (3)
Burton
Comb. Eng. Stores — Currys

ELECTRICALS (1)
Wigfall (H.)

ENGINEERING (10)
Blackwood Hodge — Jackson (J. and H. B.)
Brotherhood (P.) — Renold
Clarke Chapman — United Spring
Haden Carrier — Vickers
Hall Eng. — Wolseley-Hughes

FOODS (2)
Assoc. British Foods — Tesco

INDUSTRIALS (5)
Alpine Hldgs. — Hawkins and Tipson
Brammer (H.) — Ozalid
Extel

INSURANCE (1)
Comm. Union

MOTORS (1)
Supra

TEXTILES (4)
Carpets Intl. — Stoddard "A"
Ingram (H.) — Tricoville

TRUSTS (6)
Anglo-Int. Asset — Estate Duties
Archimedes Cap. — Rosedimond Inc.
Bishopsgate Prop. — Technology "B"

OVERSEAS TRADERS (2)
Paterson Zochonis — Paterson Z. "A" N/V

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	6	28	24
Corpns. Dom. and Foreign Bonds	11	14	38
Industrials	241	289	1,113
Financial and Prop.	75	138	353
Oils	10	8	21
Plantation	4	1	36
Mines	29	62	51
Recent Issues	5	4	29
Totals	380	541	1,725

BASE LENDING RATES

Allied Irish Banks Ltd.	12 %
American Express Bank	12 %
Anglo-Portuguese Bank	12 %
Henry Ansbacher	12½%
Banco de Bilbao	12 %
Bank of Cyprus	12½%
Bank of N.S.W.	12 %
Banque du Rhone S.A.	13½%
Barclays Bank	12 %
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12½%
Canada Permanent AFI	12 %
Capitol C & C Fin. Ltd.	13 %
Cayzer, Bowater Co. Ltd.	12 %
Cedar Holdings	12½%
■ Charterhouse Japhet	12½%
C. E. Coates	13 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Securities	12 %
Credit Lyonnais	12 %
G. R. Dawes	13 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First London Secs.	12 %
■ Antony Gibbs	12 %
Goode Durrant Trust	11 %
Greyhound Guaranty	12 %
Grindlays Bank	†12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bank of Scot.	10½%
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London & European	12½%
London Mercantile	12½%
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Northern Comm. Trust	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12 %
Rossminster Accept'cs.	12 %
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13 %
Shenley Trust	14 %
Standard Chartered	12 %
Trade Development Bk.	12 %
Twentieth Century Bk.	13½%
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9½%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 9¾% and over £25,000 9½%.
§ Demand deposits 9½%.
‡ Call deposits over £1,000 8½%.

Option Report—3-month call Rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 28	Oct. 11	Dec. 30	Jan. 4
Oct. 12	Oct. 25	Jan. 12	Jan. 17
Oct. 26	Nov. 8	Jan. 25	Jan. 31

"Calls were dealt in P. and O. Deferred, Burmah Oil, Lonrho, Hawthorn Leslie, J. Warren, K Shoes, Swan Hunter and Slater Walker. "Puts" were done in Turner and Newall and Leboff (Fobel), while a "double" was arranged in MEPC.

Industrials		E.M.I.	14	Midland Bank	22	Cap. Counties	5
A. Brew	6½	Fitch Lovell	6	Nat'l West Bank	20	E.P.	5
A. P. Cement	15	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
Assoc Leisure	3	Gen. Electric	13	P&O Dfd.	11	Land Securities	14
BSR	9	Glaxo	35	Plessey	7	MEPC	7
Babcocks	8	Grand Met.	7	R.H.M.	5	Peachey	6
Barclays Bank	22	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Berrywiggins	5	Guardian	18	Reed Int'l	23	Town & City	2½
Beecham	28	G.K.N.	25	Reyrolle	11		
Boots Drug	12	Hawker Sidd.	35	Rothmans	4	Oils	
Bowaters	16	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	I.C.I.	20	Spillers	4	Burmah Oil	4½
British Leyland	5	"Imps"	7	Tesco	4	Shell	27
BOC In.	5½	I.C.L.	14	Thorn 'A'	22	Ultramar	14
Brown (J.)	9	Inveresk	7	Trust Houses	9		
Burton 'A'	6½	Legal & General	14	Tube Invest.	27	Mines	
Cadburys	5	Ladbroke	11	Unilever	38	Charter Cons.	15
Carenham	10	Lex Service	3½	Utd. Drapery	8	Chart'rh'll Fin.	4
Courtaulds	11	Lloyds Bank	22	Vickers	15	Cons Gold	15
Debenhams	8	"Lofs"	4	Williams Hud'n	4	Hampton Areas	12
Distillers	13	London Brick	4½	Woolworths	6	Lonrho	19
Dunlop	7½	Lucas Inds.	20			Rio T. Zinc	18
Eagle Star	11	"Mams"	7	Property		Western M.ng.	7
		Marks & Sp'ncer	8	Brit. Land	5½		

MONEY MARKET

Extreme shortage

Bank of England Minimum Lending Rate 13 per cent. (since September 10, 1976)

Day-to-day credit continued to be in short supply in the London money market yesterday and the authorities gave assistance by buying an extremely large amount of Treasury bills and corporation bills. In addition they lent a moderate amount to four or five houses for repayment to-day, and at a rate below MLR.

The market was helped by bank balances brought forward and a large return of balances for the oversubscribed new tap stock. There was also a small excess of Government disbursements over revenue transfers to the Exchequer.

These were more than offset by the repayment of advances made on Friday. In addition there was a small net take up of Treasury bills and a very small increase in the note circulation.

Discount houses were being asked 12¾-12⅞ per cent. for secured call loans at the start, but during the afternoon rates fell away to close anywhere between 11 per cent. and 12½ per cent. In the interbank market, overnight loans commanded 12⅞-12⅞ per cent. initially and most of the day's business was done at 12⅞-13 per cent. By the close rates had fallen to around 10 per cent.

Rates in the table below are nominal in some cases.

Sept. 27 1976	Sterling Certificates of deposit	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ϕ	Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	10-13	—	—	—	12½-12¾	11-12⅞	—	—	—
2 days notice	—	—	13¾-12⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	12¾-12⅞	12⅞	—	13⅛-13¼	—	12¾-12⅞	—	—	—
One month	12⅞-12⅝	12⅞-12⅞	12⅞	13-12	13⅛-13¼	—	12-12½	12⅝-12¼	12½	13¼-13
Two months	12⅜-12⅝	12⅞-12¾	—	13-12	13⅛	—	12-12¼	12⅝-12¼	12⅝-12½	13¼-12⅞
Three months	12⅜ 12⅛	12⅛-12⅝	12¾	12¾ 12½	12¾-13⅛	—	12-12¼	12⅝-12⅝	12⅜-12⅜	13¼-12⅞
Six months	12⅛ 12⅝	12⅝-12⅝	12⅝-12¾	12¾-12¼	12¾-13¼	—	—	—	12¼-11⅛	13¼-12⅞
Nine months	12⅛-12⅜	12⅝ 12⅝	—	12¾ 12½	13-13⅜	—	—	—	—	—
One year	12⅛ 12⅝	12⅝ 12⅝	12¾-12⅞	12¾-12½	13-13⅜	—	—	—	—	—
Two years	—	—	13¼-14½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authorities mortgage rate nominally three years 13½-13¾ per cent.; four years 13¾-13¼ per cent.; five years 14-14¼ per cent. ϕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅝-12⅜ per cent.; four-month trade bills 13½-13¾ per cent. Approximate selling rate for one-month Treasury bills 12⅝-12 7/64ths per cent.; two-month 12-15/64ths-12⅜ per cent.; and three-month 12-12 15/64ths per cent. Approximate selling rate for one-month bank bills 12⅝-12⅜ per cent.; two-month 12⅝-12⅜ per cent.; and three-month 12⅝-12½ per cent.; one-month trade bills 13½-12⅞ per cent.; two-month 13½-13⅛ per cent.; also three months 13½-13⅛ per cent.

Finance House Base Rates (published by the Finance Houses Association) 11½ per cent. from August 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 8¾ per cent. Clearing Bank Rate for lending 12 per cent. Treasury bill average tender rate of discount 12.3454 per cent.

CORAL INDEX
Close 342-347

INSURANCE BASE RATES

† Atlantic Assurance ... 12 %
Cannon Assurance ... 10 %
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	54.2	57.6	.....	5.36
Income Tst.	54.4	57.8	.....	8.12

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	26.7	28.5	-0.2	5.57
Do. Accum.	32.0	34.2	-0.2	5.57

REGIONAL MARKETS

...ction of the share prices previously shown under regional headings is ... below with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish ...

						IRISH		
			Higsons Brew.	76	-2	Conv. 9% '80/82	£81⅞	+⅛
...v. 20p	19	......	I.O.M. Stm. £1	137	......	Alliance Gas	50	......
...ing	34	......	Holt (Jos.) 25p	215	......	Arnott	212	......
......	23	......	Kleen-e-Ze	30	......	Carroll (P.J.)	100	......
...a. 50p	139	......	Lovell's Ship £1	97	......	Clondalkin	41	......
...oft	21	......	N'thn. Goldsmith	26	......	Concrete Prods.	48	-2
...ee £1	358	......	P.M.A.	29	......	Heiton (Hldgs.)	24	......
...A.)	17	......	Pearce (C. H.)	85	......	Ind. News	38	......
...Hdy.	65	......	Peel Mills	12	......	Ins. Corp.	154	......
...k 10p	22	......	Robb Caledon Sh.	56	......	Irish Distillers	44	-2
......	11	......	Sayers 12½p	16	......	Irish Ropes	90	......
...e	54	......	Sheffield Brick	82	......	Jacob	52	-2½
...g. 5p	16	......	Sheff. Refrshmt.	135	......	Sunbeam	12	......
...p. £1	340	......	Shiloh Spinn.	23	......	T.M.G.	80	......
...gh 10p	7	......	Sindall (Wm.)	50	......	Unidare	48	......

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101 13/32	99 5/16	Treasury 10½pc 1976‡‡	99 15/32	.....	10.55	12.67
98 5/32	95 11/32	Treasury 6¼pc 1977‡‡	97 7/16	.....	6.41	12.32
97¼	94½	Electric 3pc '74-77	96⅝	.....	3.10	10.71
103 3/32	92 5/16	Treasury 11½pc '77‡‡	99⅜	.....	11.55	11.98
95½	91⅞	Treasury 3pc '77‡‡	93¼	.....	3.20	8.89
95⅝	92¼	Transport 4pc '72-77	93 11/16	.....	4.26	9.42
99 3/32	90½	Treasury 9pc 1978‡‡	96½	.....	9.34	11.83
101½	97	Treasury 10½pc '78‡‡	97⅝	.....	10.75	11.96
93¾	89⅝	Exchequer 5pc '76-78‡‡	92¼	.....	5.39	9.05
103 25/32	97⅞	Treasury 11½pc '79‡‡	98 17/32	−1/32	11.67	12.22
—	—	Treas 11½pc '79A ‡‡●	£98¼	.....	11.65	12.12
88⅞	83⅝	Treasury 3pc '79‡‡	86¼	−1/16	3.48	8.32
89⅞	73⅞	Electric 4½pc '74-79	86⅜	−¼	4.90	9.48
100 3/16	94½	Treasury 10½pc '79‡‡	95⅜	+¼	11.01	12.37
88½	83⅝	Electric 3½pc '76-79	85⅜	.....	4.10	8.94
96 5/16	90⅝	Treasury 9pc 1980‡‡	91⅜	.....	9.85	12.15
96½	90 3/16	Treasury 9½pc '80‡‡	91⅜	−⅛	10.39	12.51
85	82¼	Treasury 3½pc '77-80	83⅝	.....	4.18	8.75
89½	71	Funding 5¼pc '78-80‡‡	85⅜	.....	6.15	10.05
103 3/16	96 3/16	Treasury 11½pc 1981‡‡	96 15/32	−1/16	11.90	12.51
86	79	Treasury 3½pc 1979-81	83⅜	+⅛	4.20	8.07
95⅝	89⅛	Treasury 9¾pc 1981‡‡	90 3/32	+1/32	10.81	12.69
		Five to Fifteen Years				
94½	86	Treasury 8¼pc '80-82‡‡	87½	.....	9.91	12.20
107¼	95¼	Treasury 12pc 1983‡‡	96⅝	.....	12.46	12.87
81⅛	73¼	Funding 5½pc '82-84‡‡	74⅝	−⅛	7.48	10.84
87⅝	79	Treasury 8¼pc '84-86‡‡	80	−⅛	10.28	12.41
74⅜	65⅛	Funding 6½pc '85-87‡‡	68⅜	−⅛	9.89	12.41
77⅝	69¼	Treasury 7¾pc '85-88‡‡	70⅛	−⅛	11.27	13.10
51¼	45⅝	Transport 3pc '78-88	47⅛	.....	6.38	11.22
59¼	50⅞	Treasury 5pc '86-89	51¾xd	−⅛	9.62	12.59
103¼	92⅛	Treasury 13pc 1990‡‡	93⅝	−¼	14.29	14.53
75⅞	68	Treasury 8¼pc '87-90‡‡	68⅞	−⅛	12.41	13.72
60	50¾	Funding 5¾pc '87-91‡‡	51⅝xd	−⅛	11.11	13.37
		Over Fifteen Years				
100½	87⅝	Treasury 12¾pc '92‡‡	89¼	−⅛	14.59	14.83
98½	85¾	Treasury 12½pc '93‡‡	87¼	−⅛	14.68	14.91
58	48¼	Funding 6pc 1993‡‡	49¼	−⅛	12.24	13.88
75½	66½	Treasury 9pc '94‡‡	68	−⅛	13.91	14.56
97⅝	97	Treas. 14½pc '94‡‡	97	+½	96½	15.02
36½	31⅛	Gas 3pc '90-95	31⅛xd	.....	9.55	12.70
100	87⅞	Treasury 12¼pc '95‡‡	90¼	−⅛	14.83	14.96
75⅞	63¼	Treasury 9pc '92-96‡‡	64⅛	−⅛	14.05	14.62
95¼	92⅛	Exchequer 13¾pc '96‡‡	92⅞	−⅛	14.90	15.01
35½	30	Redemption 3pc 1986-96	30½	−⅛	9.83	12.57
102½	88	Treasury 13¼pc '97‡‡	91¼	−⅛	14.92	15.00
70⅛	61⅜	Treasury 8¾pc 1997‡‡	62½	−⅛	14.15	14.63
57⅝	48⅞	Treasury 6¾pc '95-98‡‡	48⅞xd	−⅛	13.63	14.42
76	65½	Treasury 9½pc 1999‡‡	68	−⅛	14.38	14.69
31½	27¼	Funding 3½pc '99-04	27¾	−⅛	12.95	13.86
65	54⅛	Treasury 8pc '02-06‡‡	55¼xd	−⅛	14.44	14.62
46⅛	37⅞	Treasury 5½pc '08-12‡‡	38⅝	−⅛	14.34	14.49
60⅜	52¼	Treasury 7¾pc '12-15‡‡	54⅜	−⅛	14.62	14.65
		Undated				
30⅛	26⅜	Consols 4pc	27⅛	.....	15.10	—
27⅜	24⅜	War Loan 3½pc‡‡	25⅜	.....	14.44	—
28⅜	24⅝	Conv. 3½pc '61 Aft.	25	.....	13.98	—
23¼	19¾	Treasury 3pc '66 Aft.	20xd	.....	14.96	—
19⅝	16⅞	Consols 2½pc	17⅛xd	.....	14.56	—
19½	16¼	Treasury 2½pc	16½	.....	15.13	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
75	68½	5pc Stock '77-82	74	+¼	6.80	11.25

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
89¾	83	Birm'ham 9¾pc '79-81	84	−½	11.01	13.85
98	87½	Bristol 6½pc '75-77	98	+⅛	6.64	12.23
95	89½	Essex 5½pc '75-77	94¾	.....	5.80	12.82
96	92⅜	G.L.C. 7¼pc 1977	95¼	+⅛	7.61	12.99
102½	93½	Do. 12½pc '82	98¼	.....	13.27	14.00
78¾	74¾	Herts. 5¼pc '78-80	77½	−½	6.75	13.17
95⅜	91⅞	Liverpool 7pc '76-77	94¾	−¼	7.36	12.44
83	79	Do. 9¾pc '80-84	82½	−½	12.33	14.32
26	22¼	Do. 3½pc Irred.	23xd	.....	15.44	—
90	86¼	Lon. Corp. 6½pc '75-78	89¼	−¼	7.29	13.15
83	75	Do. 9¼pc '84-85	75xd	−½	12.35	14.29
92	87⅞	L.C.C. 6pc '75-78	91¼	.....	6.57	13.09
75½	69¾	Do 5½pc '77-81	73	.....	7.52	13.01
67½	60½	Do 5½pc '82-84	63	−½	8.87	13.52
59	52½	Do. 5½pc '85-87	53½	−½	10.58	14.43
60½	50½	Do 6¾pc '88-90	54½	−¼	12.69	14.79
22½	19½	Do. 3pc '20 Aft.	19¾	−¼	15.61	—
93¼	90	Middx. 6¼pc '75-77	92¼	.....	6.73	12.96
79½	74½	Do 5¼pc 1980	79	+¼	6.66	12.96
90½	85½	Newcastle 9¼pc '78-80	87	.....	10.63	13.58
101½	96	Warwick 12½% 1980	96¾	−¼	12.93	13.49

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
91	85½	**Aust 5½pc '75-78	87xd	.....	6.30	12.88
82¼	77⅞	**Do. 5½pc '77-80	81½	.....	6.88	13.17
74¼	68¼	**Do 5½pc '81-82	70½xd	+¼	7.78	13.13
86⅞	80¼	**N.Z. 4pc 1976-78	86⅛	+⅛	4.70	11.86
83⅝	80	**Do. 6pc '76-80	81¾	+¼	7.37	12.86
74	67½	**Do. 7½pc '83-86	69¼	.....	11.16	13.67
65	22	Sth. Rhod 2½pc '65-70	51	−9	—	—
62	34	Do. 6pc '78-81	54	−8	—	—

LOANS (Miscel.)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
81⅛	42½	Agric. Mt. 5pc '59-89	45½	.....	11.27	14.81
76½	66½	Alcan 10½pc '89-94	70	.....	15.53	16.00
100¼	93¼	**FFI 13pc '81	97	+¼	13.40	13.90
106	99	Do 14pc 1979	104	.....	14.08	14.20
66¼	58½	ICFC 8¾% Ln. 92-97	58¾	.....	15.30	15.90
97½	89	Do. 9pc 1977	96	.....	9.56	14.00
103	94½	Do. 10pc 'C' 1976	103	.....	10.02	11.60
24¾	20¼	**Met. Water 3pc 'B'	20¾	−¼	14.57	15.62
110	71	U.S.M.C. 9pc 1982	106	.....	8.65	8.20
82½	71	Do. without Wrnts.	78½	.....	11.64	14.90
90½	84	Ultramar 7pc '75-78	89	.....	8.02	14.00

FOREIGN BONDS & RAILS

1976 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
13	9	Antofagasta Rly	13	.....	—	—
36	27½	Do. 5pc Pref.	32½	.....	B—	—
95	26½	Berlin 4½pc Ass.	95	.....	4½	9.19
98	54	Chilean Mixed	98	.....	3	£3.06
195	192	German Yng. 4½pc.	195	.....	4½	—
72	61	Greek 7pc Ass.	62	.....	3½	£5.74
67	55	Do 6pc '28 Stab. Ass.	60	.....	3	£4.44
48	35	Do 4pc Mixed Ass.	42	.....	2	£4.17
32	30	Hung. '24 Ass.	32	.....	4½	£8.59
55	50	Iceland 6½pc '83-88	50	.....	6½	£15.60
74	69½	Ireland 7½pc '81-83	74	+¼	7½	13.84
77	64	Do 9¾pc '91-96	65¾	+½	9¾	15.39
242	165	Japan 4pc '10 Ass.	242	+7	—	—
71½	51	Do 6pc '83-88	51	.....	6	—
163	125	Peru Ass. 3pc	125	.....	3	2.43
48½	17½	Romanian 4pc Cs.	18½#	.....	—	—
$67	$67	S.G.I. 6½pc 1980	$67	.....	9	9.68
$95	$91	Turin 9pc 1991	$93	.....	9	9.67
DM84	DM81	Turin 6½pc 1984	DM81	.....	6½	10.651
71	64	Uruguay 3½pc	64	.....	3½	7.10

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1976 High	low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
27¼	10⅞	ASA	14⅜	+⅛	80c	—	3.1
50	45	AMF 5% Conv '87	50	.....	5%	—	£5.1
52	35	Amax $1	52	+1⅝	$1.75	—	1.9
48	31	Baker Intnl. Corp. $1	48	+⅞	46c	—	0.5
31⅛	17¼	Barnes Grp. $6⅔	31⅛	+1⅛	$1.75	—	3.1
19½	12¼	Bell & Howell	18	+⅝	84c	—	2.6
38¾	26	Bendix Corp. $5	37⅛xd	+1	$1.72	—	2.6
38½	25⅝	Beth. Steel $8	37⅛	+⅜	$2.00	—	3.0
669p	459p	Brown'g Fer. c16⅔	622p	+28	20c	—	1.8

S.E. List Premium 50% (based on $1.6865 per £)

Conversion factor 0.6676 (0.6748)

CANADIANS

S.E. List Premium 50% (based on $1.6405 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

10	8	Burma Mines 17½p	8½	...	0.1	♦	2.0
*35½	18½	Charterhall 5p	19½	+½	—	—	—
990	580	Cons. Murch 10c	670	−10	tQ80c	1.8	7.7
345	245	Northgate C$1	325	−20	—	—	—
239	153	R.T.Z.	179	−5	g5.96	2.1	5.2
112	77	Sabina Inds. C$1	99	+9	—	—	—
£15⅞	£10	Tara Explrn. $1	£13½	−⅛	—	—	—
45	32½	Tehidy Minerals 10p	40	−2	th1.05	♦	4.2
145	84	Yukon Cons. C$1	140	−2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 25

FINANCIAL TIMES

Tuesday September 28 1976

Russian accused of fishing inside limit

BY STUART ALEXANDER

THE SKIPPER of the Russian trawler Dzukiya is to be prosecuted for, allegedly, fishing inside the 12-mile limit off the Isles of Scilly. A special court is to be set up at Plymouth. The case should be heard in the next day or two.

If the skipper is found guilty he faces fines of up to £500 and confiscation of his catch and gear. He will be given legal advice, time to prepare his case, and the use of an interpreter.

With him at Plymouth is the commandant of the trawler fleet, Mr. Victor Zakharov, who has been having talks with the district inspector of fisheries, Mr. Bill Williams.

Mackerel

There are about 35 Eastern Bloc trawlers in the English Channel and another 35 in the Bristol Channel, all concentrating on the mackerel shoals. There is a further fleet in the *North Sea searching for herring*, although the British fleet has already stopped fishing for herring as stocks are seriously depleted.

The 2,200-ton Russian Dzukiya was challenged by the British minesweeper Soberton on Saturday night and tried to escape. The minesweeper gave chase and eventually put an armed boarding party on the trawler to negotiate with the skipper about returning to a British port. The talks were lengthy, and it was during this time that Mr. Zakharov joined the Dzukiya, whose registered number is LVO 579.

The minesweeper, meanwhile had called for the assistance of the frigate Andromeda, which was one of the navy vessels used to protect the British trawler fleet off Iceland. However, the Russian skipper eventually agreed to put into Plymouth escorted by Soberton, and arrived there yesterday morning

The trawler is large by British standards. In this country the biggest are about 1,600 tons. The Russians sometimes incorporate a canning line on board as well as freezer facilities. The fleets are accompanied by ancillary vessels, and sometimes by a mother ship of up to 10,000 tons.

Although cases of fishing inside the limits are not uncommon, and are not confined to Eastern Bloc fleets, it is unusual for a skipper to disobey Navy instructions. In this case the skipper decided to bring in the chief of the whole Atlantic fleet before agreeing with Lieut. Mike Parker, who led the three-man boarding party and the negotiations, on a return to port.

The arrest comes at a time when the British fishing industry as a whole and the West Country and North Sea fleets in particular, have expressed grave fears that stocks are being seriously overfished.

They point to the St. George's Bank haddock grounds off the U.S. which were fished to exhaustion in just two years at the end of the 1960s by a large and determined Russian fleet.

Threat

Now the supply of North Sea herring is similarly threatened and Cornish fishermen say that mackerel, too, are being seriously depleted. The Cornishmen fear they may be put out of business.

The last time a Russian trawler was convicted of an offence in British waters was in July, and before that in October 1975. On both those occasions the skippers faced the less serious technical charge of improperly stowing gear, the charge usually brought when the matter is quietly disposed of.

The Ministry of Agriculture last night emphasised that there was nothing special about this case and that the Russian was being treated like any other trawler caught fishing inside the limit.

Tories allay ship Bill fears

By Kevin Done and Peter Hennessy

GOVERNMENT FEARS that the controversial issue of hybridity will be raised again to-day when the House of Lords begins the second reading of the Bill to nationalise the shipbuilding and aircraft industries were allayed by the Conservative Opposition last night.

Senior Tory peers made it clear that they would not re-open the issue, which brought uproar to the House of Commons in June, because they argue that it has been a long-standing convention that the House of Lords does not challenge a ruling of the Speaker of the Commons.

To claim the Bill was hybrid would set a dangerous precedent and risk a confrontation between the two Houses of Parliament which could end with the abolition of the hereditary element, they believe.

Lord Byers, Leader of the Liberal peers, said yesterday that his party was prepared to vote against the shipbuilding and aircraft Bill on its third reading.

Though the Conservative leadership in the Lords will refrain to-day from reopening the hybridity issue, some Tory backbenchers are expected to join the Liberals in raising it. The Government will be obliged to answer their arguments.

But Ministers will be secure in the knowledge that the Clerks of the House of Lords, who are responsible for sending hybrid Bills to a panel of assessors, will not recommend overturning the Speakers' ruling.

The Government's unease has been occasioned by a meeting held last week between Mr. Leslie Huckfield, Industry Under-Secretary, and Mr. Christopher Bailey, chairman of Bristol Channel Shiprepairers, who has been one of the leaders in the fight to kill the nationalisation Bill.

Mr. Gerald Kaufman, Industry Minister, disclosed yesterday that the meeting had taken place and said that Mr. Bailey had offered to make a "back-stairs deal" which in the Government's view would amount to a rejection of decisions taken by the Commons and "would be an affront to the House."

Amendment

He said that at last week's meeting, Mr. Bailey claimed that he had discovered elements of hybridity in the Bill. Mr. Bailey offered an amendment to Mr. Huckfield which would "remove from the Bill Bristol Channel Shiprepairers together with two other ship repair companies and which, incidentally, he claimed would remove the alleged hybridity," Mr. Kaufman said.

Mr. Bailey refused to disclose the points in the Bill where the alleged hybridity occurred. He warned the Government that if it did not accept the amendment, the Bill would be challenged in the Lords as being hybrid and gave the Government until yesterday to comply.

The question of the Bill's hybridity—the issue of whether the Bill treats private interests in different ways to the detriment of one party—was debated furiously in the Commons in May, June and July. Government amendments to clarify the questioned areas of the Bill were passed on July 27.

Mr. Kaufman declared yesterday that the Government rejected any such covert deals as Mr. Bailey had offered, and said he was confident that no more areas of hybridity existed.

Australian company bids £28m. for Mather & Platt

BY TERRY WILKINSON, CITY STAFF

MATHER & PLATT, the Manchester-based fire protection and engineering company, has received a £28m. takeover offer from the leading Australian fire protection concern, Wormald International. The Board of MP is recommending shareholders to accept the offer.

Wormald International, which already holds 11 per cent. of Mather and Platt, is offering 120p in cash for each Ordinary share and 50p for each cumulative Preference share. The Ordinary offer represents an all-time peak for Mather shares, the previous best having been 115p in 1970, and values the company at £31.2m.

Wormald, which in its last financial year made pre-tax profits of $A9.4m. (£6.9m.) is capitalised on the Australian stock market at $A57m. (£41m.).

News of the bid sent Mather shares, which have been as low as 47p this year, soaring 42p to 109p.

In a joint statement yesterday the companies said: "It has become progressively clearer over the years that both companies could have much to gain by promoting the sale of Wormald's equipment through Mather and Platt's world-wide organisation. Mather and Platt's products could, correspondingly, be marketed in certain territories by Wormald."

Mather is not making a formal profits forecast, but says that pre-tax profits for the second half of 1976 should "substantially exceed" the £2.53m. made in the first half. In 1975 the group made pre-tax profits of £4.7m.

The proposed merger, which Mr. Harry Smith, managing director of Mather, yesterday described as having a "substantial industrial logic," stems from the different paths taken by the two groups in fire protection.

Although both companies are dominant in their home markets, Mather has chosen to diversify geographically on a relatively narrow product base, while Wormald has developed a range of sophisticated detection and protection systems and concentrated on the Australian market, which accounts for 80 per cent. of profits. Overseas sales at Mather accounted for more than 60 per cent. of group sales of £106m. in 1975, of which half came from fire engineering.

The cash offer—a share exchange scheme having been considered impractical because of U.K. Exchange Control regulations—is to be financed from four sources. A A$7m. placing has been underwritten in Australia. Conditional on the offer being accepted, a further A$14m. will be raised by a rights issue and the remaining A$17.3m. by a syndicated medium-term Eurocurrency loan and a medium-term bank facility in Australia.

News Analysis Page 7

Leyland Cars shuts Triumph plant

BY PETER CARTWRIGHT

LEYLAND CARS yesterday closed the profitable Triumph plant in Coventry and laid off 2,300 workers. This was the instant reaction to a unanimous decision by 80 Silcock and Colling car delivery drivers to reject a peace formula designed to end their five-week strike.

Output of Leyland's prestige Jaguar is also threatened. Chrysler can go on producing the new Alpine from its nearby Ryton plant for some weeks because production is only just beginning to build up.

The car delivery drivers ferry cars to holding depots, docks and other destinations. Triumph has been the first to run out of parking space for Dolomites, Spitfires and Stags coming off the assembly lines at about 400 a day.

The strike, over the redundancy of 17 colleagues because Silcock and Colling lost a contract to deliver 1,000 Fords a week, is supported by all three other concerns employing more than 300 drivers.

While Chrysler is the only local car producer with which Silcock has an exclusive contract, Triumph has been caught up by the widening of the strike, and deliveries of Jaguars are likewise halted.

Threat

The strike could be extended to all 800 Silcock drivers at a dozen countrywide depots handling Fords, Vauxhalls and several imported makes, including Datsun, Opel and Peugeot.

Support on this scale was promised at a recent meeting of stewards, who will be gathering in Coventry again, probably to-morrow.

Under a local agreement between the Car Delivery Agents Association and the Transport and General Workers' Union, a transfer of contract, as in this case, is accompanied by a movement of drivers.

When another local company, Toleman James, won the Ford contract from Silcock it offered to employ the 17 redundant Silcock drivers, but not at Coventry—as far away as Hull. Local employment was insisted on.

A 12-hour meeting between Silcock management and union representatives with the Advisory, Conciliation and Arbitration Service thrashed out a formula under which Silcock would retain the 17 and share out work.

That, yesterday's meeting of drivers was told, would involve ten drivers standing down each week, and the formula was rejected outright. The stewards are insisting that redundancy notices to all 17 must be withdrawn in view of extra work coming in from Chrysler.

Linked

A linked issue, employment of extra drivers by Toleman James, will be re-opened to-morrow between union and agents' association.

● There was better news for Leyland when workers at Rubery Owen's Darlaston factory supplying axle casings for the new Rover 3500, agreed to lift sanctions and accept a pay offer. Output of Land Rovers and Range Rovers, halted by the dispute a fortnight ago, will be resumed to-day, with the recall of 1,130.

THE LEX COLUMN

Growth dries up at Fisons

If the authorities had plans to follow up their achievements with Treasury 14½ per cent. 1994, with a rapid successor stock their hopes were dashed by the continuing dismal slide of sterling. Against the basket of foreign currencies the pound has now depreciated by almost a fifth this year. But although gilts were restrained (and equities weak) there was still a premium varying between ½ and ¾ of a point for stags of Friday's issue, with buyers making up allotments or switching from other high-coupon stocks.

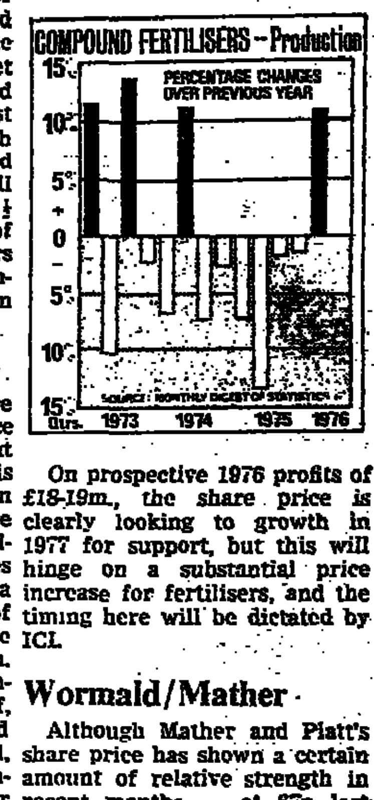
Fisons

Down by almost a third since early June, Fisons' share price ahead of the interim statement had been suffering from this summer's long European drought and the depressed state of the fertiliser market worldwide. Nevertheless, the shares closed another 15p down at a new low of 275p on the news of no more than a 1 per cent. rise in pre-tax profits to £10.3m. Unless there is a dramatic turnround in the second half, Fisons' which has always prided itself on its growth record, looks like turning in lower earnings per share for the full year—something it has not done for almost a decade.

The problems in fertilisers, where sales were down 8 per cent. and profits down 30 per cent., are well known. An absence of price increases plus a rapid rise in imported raw material costs has hit margins severely. At home, sales volume is up slightly, but exports are down by a third and the full impact of the drought has still to be felt. By contrast, the agrochemical division has withstood the effects of the drought better than expected. Sales volume is 5 per cent. ahead and profits are up by a third, led by a recovery in horticultural and industrial chemicals. Agrochemicals, appears to be replacing pharmaceuticals as the real growth area for Fisons.

Whereas agrochemical profits have doubled over the past two years, pharmaceutical profits are up by only a sixth. The latter division continues to be dominated by the fortunes of Intal, and though sales in places such as Japan and Germany are moving ahead well, Fisons has still not cracked the U.S. market, where combined sales of Intal and Aarane actually fell in the first six months.

Index fell 4.3 to 344.6



On prospective 1976 profits of £18-19m., the share price is clearly looking to growth in 1977 for support, but this will hinge on a substantial price increase for fertilisers, and the timing here will be dictated by ICI.

Wormald/Mather

Although Mather and Platt's share price has shown a certain amount of relative strength in recent months — at 67p last Friday it was within a tenth of the year's high — yesterday's cash bid of 120p a share from the Australian group Wormald International came right out of the blue. The offer takes Mather out on a prospective p/e of close to 11, on the assumption that pre-tax profits will approach £6m. this year compared with £4.7m.; the average prospective p/e for the engineering sector is more like 6. Once again a hefty premium is being paid in a cash offer, although on the other hand Wormald can argue that it is paying scarcely more than book net worth for a company which has substantial assets outside the U.K.

Apparently a good many other ways of structuring the merger were considered, but exchange control regulations stood in the way of straight share exchanges and there was a risk that more complex arrangements might conflict with the management structure. As it is, Mather is a big bite for Wormald at nearly £30m. in cash, for this represents over three-quarters of Wormald's shareholders' funds while Mather also brings with it around £20m. of its own debt.

The solution is a four-pa[rt] financing package with ab[out] half the funds being r[aised] through equity issue[s in] Australia, and the rest com[ing] from term borrowings in [the] Eurocurrency market [and] Australia.

Construction

After six months of... Tarmac is 15 per cent... with profits of £9.2m... But last year's rights issue a[nd] a rising tax charge this... around have combined... earnings growth per... severely, and yesterday... shares slipped 6p to... fact earnings are not likely... make much overall progr[ess] this year. But trading in [the] U.K. is proving remarkab[ly] steady and with the overse[as] construction operations begin[ning] to make a useful impa[ct] Tarmac should start to mo[ve] forward again in 1977.

So far this year the U.K. property side and aggregates i[n] South Africa and Germany hav[e] between them lost somethi[ng] like £2.7m. pre-tax so in them loss elimination in 1977 coul[d] be worth up to £5m. to th[e] group (and Tarmac reckons t[o] bring its property losses to close this year). Current[ly] building products, housing an[d] contracting are all moving com[fortably] forward and eve[n] aggregates are up with goo[d] profits from ready mixed con[crete] and prices rises offsettin[g] the impact of volume decline (of 5 per cent. and over) on it[s] main quarried lines. The inte[r]national division's turnove[r] could double to £40m. this yea[r] and by 1977 Tarmac's non-U.K. operations could be working u[p] to a third of total sales.

But yesterday's other resu[lts] from the sector—John Laing whose first half profits ar[e] £2.1m. higher at £8.1m. pre-ta[x] —underlined the general con[cern] about the low level o[f] building activity in this country. Laing's construction orders a[t] around £300m. reflect littl[e] volume growth over the pas[t] year, and the group is "con[cerned]" about future inflows o[f] work. It looks to have specia[l] problems with slow progress o[n] a big Iranian contract. But th[e] massive cash balances remain intact, and a 1976 yield of 3.[..] per cent. is likely to be covered over nine times; in contrast Tarmac's prospective yield i[s] 10.2 per cent., covered mayb[e] 2½ times.

Continued from Page 1

Victory for Left

Mr. Benn, with Mr. Callaghan beside him on the platform, walked a tightrope by advocating socialist policies far in excess of anything the Prime Minister envisages, but he never once stepped outside the bounds set by Labour's Programme 1976, the policy document which is before conference for approval.

Although Mr. Benn was careful not to contravene the doctrine of Cabinet repsonsibility, he made a point of demanding the right to be critical of party policy.

"I believe we all agree that criticism must not go to the point of endangering the life of the Government, but loyalty must not be used as an excuse for silencing those who wish to criticise."

In a move to-day which could have considerable long-term significance for the party, conference, with the backing of the national executive, will set up a working party on procedures for the election of a party leader. It will be charged in particular with considering "the appropriate means of widening the electorate involved in the choice of a leader" and will report in time for a decision to be taken at next year's conference.

Labour leaders accept that it is inconceivable that after consulting all aspects of party opinion the working group will end up by recommending the existing position—that only Labour MPs should elect the leader.

BNOC looks to U.S. for capital

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BRITISH National Oil Corporation is looking into the possibility of raising development capital in the U.S.

Dr. Dickson Mabon, Minister for Energy, will take the opportunity to sound out some American financial institutions during his current visit to the U.S., ostensibly to discuss with them the U.K. Government's attitude to offshore development and oil taxation.

The corporation can draw money from the National Oil Account, which receives royalties and licence payments, and can also borrow up to £600m. That could be raised to £900m. by a simple Commons resolution.

A 51 per cent. interest in all licences will be taken by the corporation when the forthcoming fifth-round awards are made. Last week, in an abrupt change in policy, it was announced that it would carry its full share of the development costs as they occur.

So it could face hundreds of millions of pounds of development costs in the 1980s. In spite of the income from its share of various existing fields, that must lead to the corporation's having to borrow heavily both at home and abroad.

Loans could be secured on a Treasury guarantee or on the corporation's own credit.

Whitehall sources were insisting last night that Dr. Mabon would not attempt actually to set up loans while in the U.S. It was just a question of "testing the temperature," while he has the chance of meeting financial institutions, to find out if it might be a practical proposition for the corporation to borrow in the States.

Conoco invites tenders for oil platform design

BY JAMES McDONALD

CONOCO North Sea has invited a number of companies to tender for the design of a steel production platform for its Murchison oilfield.

The company points out that this is the first go-ahead in North Sea oilfield development for over a year.

Contracts for fabrication of the platform and its facilities are expected to be awarded next year on completion of the design work. The earliest time for floating-out would be the summer of 1979, allowing production to start in 1980, Conoco said.

A Conoco spokesman last night could not reveal the potential reserves of the field nor the possible cost of the platform.

But he pointed out that recent costs of production platforms in the North Sea, with facilities had been about £100m.

The Department of Energy said last night: "To-day's announcement is good news for the country and for all sectors of industry involved in the development of our offshore resources.

"It brings to 15 the number of oilfields declared commercial in the U.K. sector of the North Sea and puts us in an even stronger position as an oil-producing nation."

The British National Oil Corporation is an equal partner in the group developing the field, together with Gulf and Conoco.

The major portion of the Murchison field is in the U.K. sector of the North Sea, Block 211/9, but part of it overlaps into the Norwegian sector, Block 33/9, which is held by the Mobil-Statoil group.

Negotiations have still to be conducted on the extent of the Norwegian interest and unitisation of the field.

The Murchison field was discovered by the group, for which Conoco is the operator, in September last year, and was confirmed in January this year by delineation drilling.

It lies 120 miles north-east of the Shetland Islands and extends across the U.K.-Norwegian median line.

Continued from Page 1

Sterling

porting the pound over a fortnight ago, sterling has now lost around 5 per cent. against the dollar and over 6½ per cent. on average against other currencies. This movement could in turn add about 1 per cent. to the cost of living over the next 12 months or so.

The fall in sterling is being reflected in some commodity prices, pushing up the cost of industry's imported raw materials.

The impact yesterday was varied, with the main effects being seen in sharp price rises in markets such as cocoa and coffee where prices were already on a strong upward trend.

Elsewhere, it was suggested the level of prices already discounted a further drop

● The fall in the pound brought calls from two Conservative MPs to recall Parliament. Mr. Peter Bottomley (Woolwich W.), said the labour conference should be cut short, while Mr. Anthony Nelson (Chichester) said in a telegram to the Prime Minister that it was essential for immediate action to be taken to restore foreign confidence.

Anti-dumping probe into suits, sandals

BY KEVIN DONE, INDUSTRIAL STAFF

ALLEGATIONS that East European countries are dumping men's and boys' suits and men's leather sandals in Britain are to be investigated by the Department of Trade.

But the announcement of the inquiry has not satisfied the hard-pressed textiles indstry. It is angry because the Government has refused to impose a temporary duty on the suit imports during the investigation.

The DoT said yesterday that it would fully investigate the alleged dumping of men's and boys' suits from Bulgaria, Czechoslovakia, East Germany and East Berlin, Hungary, Poland and Romania, and into men's leather sandals from Czechoslovakia and Poland.

Quota restraints, either mandatory or voluntary, already operate against the suits from the Comecon countries. The DoT investigation, which is expected to last several months, will concentrate on the pricing of the suits and will try to establish whether any dumping is taking place and whether such dumping is causing substantial injury to the U.K. textile and footwear industries.

If the charges are proved it could lead to the Government imposing an anti-dumping duty on the goods to raise the prices to prevailing U.K. levels.

The Clothing Manufacturers' Federation accused the Government of failing miserably to take all the steps open to it. Its failure to impose a temporary duty "will only encourage the Comecon countries to speed up their exports to this country," said the federation. The men's clothing industry would continue to suffer severely

During the first seven months of this year 380,398 suits came into Britain from Comecon countries at an average landed price of £11.50. Romania exported 144,281 of these suits at an average landed price of £10.70, said the federation.

The equivalent factory-gate prices of suits produced in Britain is about double the Comecon landed prices

Many textile companies are now working short time and more than 8,000 jobs have been lost in the last 12 months. The industry is at its lowest point of profitability for more than 30 years, and last year imports of suits from the Comecon countries totalled 732,000.

British-made sandals now hold only 10 per cent. of the U.K. market. The combined Polish and Czech share of the market, 1.5m. pairs, has risen from 50 per cent. to 80 per cent. in recent years.

This new anti-dumping investigation is seen by the DoT as further evidence that it is prepared to take selective action, while resisting calls for general import controls.

Countervailing duties have already been imposed on imports of men's leather shoes from Brazil and women's raincoats from Hong Kong.

Weather

U.K. TO-DAY

RAIN in most parts.

London, S.E., Cent. S. England, E. Anglia, E Midlands, Wales
Chance of showers. Wind S., light. Max. 20C (68F).

E., Cent. N., N.W. England
Chance of showers. Wind S, light. Max. 16C (61F).

Channel Isles, S.W. England
Showers. Wind S.W., light or moderate. Max. 20C (68F).

Lakes, N.E. England, S.W. Scotland, Glasgow, Borders
Mainly dry. Wind light, variable. Max. 15C (59F).

I. of Man, Argyll, N.W. Scotland, N. Ireland
Showers. Wind E., light or moderate. Max. 15C (59F).

Edinburgh, Dundee, Aberdeen, Moray Firth, Cent. Highlands, N.E. Scotland
Rain at times. Wind E., moderate. Max. 13C (55F).

Outlook: Showers.

Lighting-up: London 19.16, Manchester 19.24, Glasgow 19.31, *Belfast 19.39.*

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	F	29	84	Madrid	R	15	59
Amstrdm.	S	21	70	Manchstr.	C	18	64
Athens	S	25	77	Melbourne	S	18	64
Barcelona	R	20	68	Milan	C	20	68
Belfast	R	14	57	Montreal	C	11	52
Belgrade	S	21	70	Moscow	S	6	43
Berlin	S	20	68	Munich	S	24	75
Birmghm.	F	19	66	Newcastle	R	12	54
Bristol	F	19	66	New York	R	22	72
Brussels	F	22	72	Oslo	C	9	48
Budapest	C	14	57	Paris	C	20	68
B. Aires	S	25	78	Perth	R	12	53
Cairo	S	30	86	Prague	F	20	68
Cardiff	S	19	66	Reykjavik	S	9	48
Cologne	R	22	72	Rio de J'o	C	26	79
Copnhagn.	C	12	54	Rome	S	26	79
Dublin	C	15	59	Singapore	C	30	86
Edinburgh	C	12	54	Stockholm	S	13	55
Frankfurt	C	22	72	Strasbourg	F	24	75
Geneva	F	19	66	Sydney	S	19	66
Glasgow	R	13	55	Teheran	S	31	88
Helsinki	C	8	46	Tel Aviv	S	26	79
Hong Kong	C	25	77	Tokyo	C	19	66
Jo'burg	C	21	70	Toronto	C	11	52
Lisbon	F	17	63	Vienna	C	15	59
London	S	21	70	Warsaw	F	13	55
Luxembrg.	C	20	68	Zurich	F	17	63

HOLIDAY RESORTS

Ajaccio	C	25	77	Las Plms.	S	28	82
Algiers	C	27	81	Locarno	F	20	68
Biarritz	C	21	70	Luxor	S	27	81
Blackpool	C	18	64	Majorca	F	27	81
Bordeaux	F	24	75	Malaga	R	23	73
Boulogne	S	19	66	Malta	S	27	81
Casablnca.	C	24	75	Nairobi	S	24	75
Cape Town	S	21	70	Naples	S	25	77
Corfu	S	25	77	Nassau	S	30	86
Dubrovnik	S	22	72	Nice	F	22	72
Faro	F	24	75	Nicosia	S	26	79
Florence	F	25	77	Oporto	R	18	64
Funchal	S	25	77	Rhodes	S	26	79
Gibraltar	C	22	72	Salzburg	S	24	75
Guernsey	S	18	64	Tangier	C	22	72
Innsbruck	F	22	72	Tenerife	C	20	68
Inverness	C	13	55	Tunis	S	31	88
Is. of Man	C	15	59	Valencia	F	24	75
Istanbul	F	21	70	Venice	F	22	72
Jersey	S	20	68				

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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